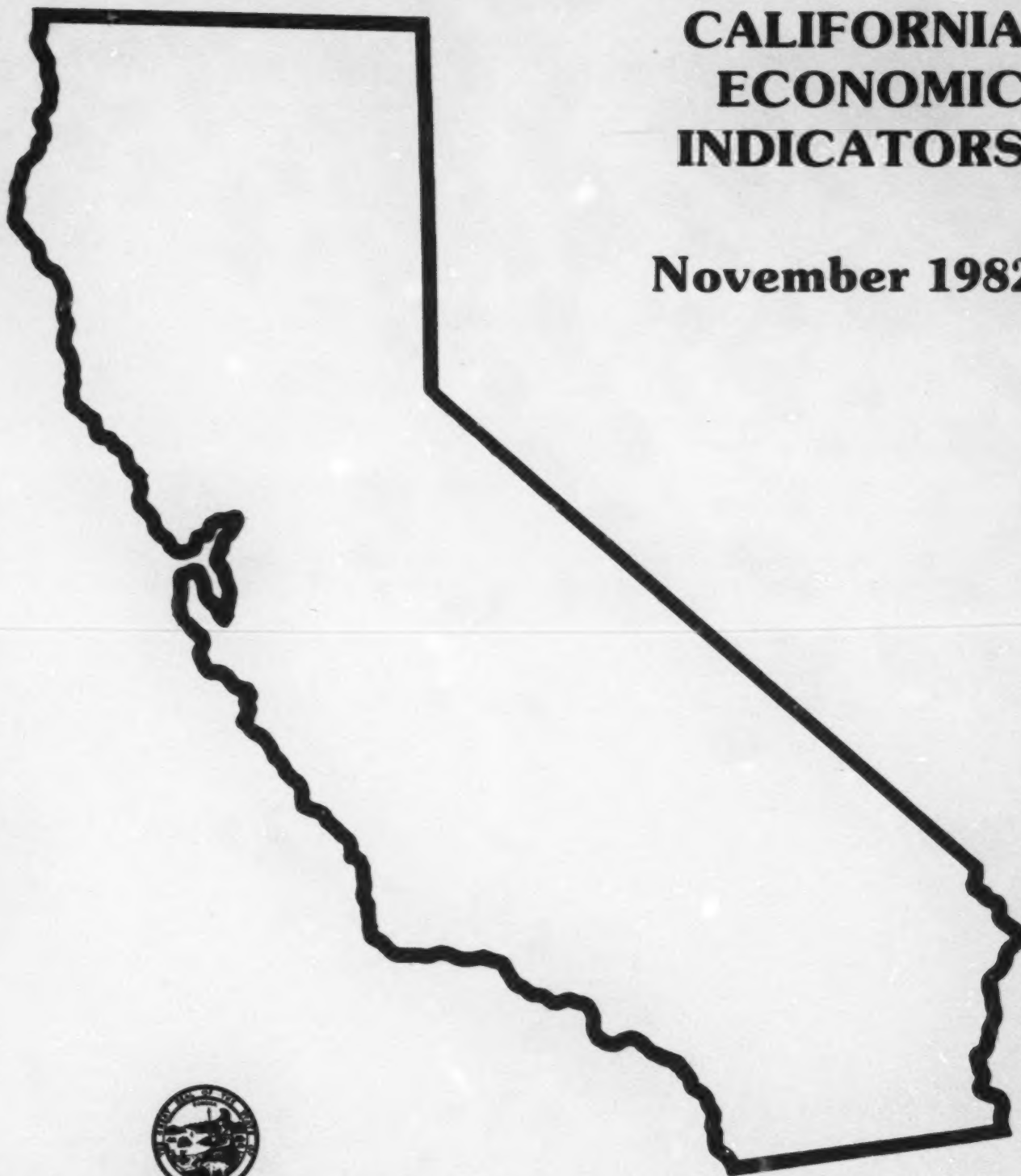


CALIFORNIA ECONOMIC INDICATORS

November 1982



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- . review of economic developments
- . current California economic data table
- . economic indicator charts
- . basic data for California economic series
- . chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are \$5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

<u>Beginning Subscription Date</u>	<u>Prorated Amount Due</u>
January	\$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

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REVIEW OF ECONOMIC DEVELOPMENTS

The California economy weakened further during the past few months. Indicators of the downward movement include rising unemployment, declining wage and salary employment, and slowing residential and nonresidential construction activity. In addition, revised personal income data indicate that income growth for the first half of this year is lower than was previously estimated.

The California unemployment rate rose sharply in October. After declining during the preceding two months, the rate climbed 0.6 points to 10.7 percent of the labor force. During September both the U.S. and California rates were at 10.1 percent. The national level moved up to 10.4 percent.

Job loss continues to be the overwhelming cause of increased unemployment in the State. There has been relatively little change in the number of persons leaving their jobs voluntarily, or in the number of new entrants or reentrants into the labor force.

Seasonally adjusted nonagricultural employment data show that the impact of fewer jobs is being felt in virtually every industry. The greatest impacts, however, continue to be in the basic producing sectors--mining, construction, and manufacturing. Since the beginning of this year, wage and salary employment in these three areas has declined by 8.4, 11.0, and 3.3 percent, respectively. Total nonagricultural employment has fallen by 175,000 jobs, or 1.7 percent, between January and September. The last month in which the total increased by more than one or two thousand was July 1981.

Housing construction remains weak. As noted in the previous Indicators, the July rate of 108,000 units was influenced by accelerated permit filings to avoid new building standards. The August rate subsequently fell down to a 60,000 unit level, rising up to a 75,000 unit rate in September. It is expected that the most recent declines in mortgage interest rates, and the further decreases expected to occur, will stimulate new building. However, the relatively high cost of housing in this state--the median home price exceeds \$100,000--will be a limiting factor.

Nonresidential valuation is beginning to show signs of a long expected slowdown. The value of new commercial and industrial construction during August and September was down 13.4 percent from the same two months in 1981. The long time horizon for the planning, approval, and completion of nonresidential structures may be leaving many contractors involved in projects even as it becomes evident that demand is softening.

The slowing of inflation continues to be the most favorable aspect of the current economic situation. In August, the CPI for San Francisco was down 0.1 percent from the previous index, and up only 5.7 percent from the same month one year ago. In September, the CPI for Los Angeles was down 0.3 percent from the preceding index and up only 3.2 percent from the same month last year. Declines in the homeownership component, which includes home purchase price and financing, accounted for most of the drop in the two SMSA CPIs. The Los Angeles index was also influenced by month-to-month declines in the apparel and transportation components.

The U.S. Department of Commerce, Bureau of Economic Analysis, released revised California personal income figures in September. All of the annual data back to 1958 were updated, with the exception of the years 1969 through 1973. Those four years were revised in 1981. The following indicates the extent of adjustments made since 1974:

California Personal Income
(Billions of Dollars)

	August 1981 Release	August 1982 Release	Change
1974	128.2	128.1	*
1975	141.3	141.0	-0.3
1976	157.4	156.9	-0.5
1977	175.6	175.7	+0.1
1978	198.8	200.4	+1.6
1979	228.5	228.9	+0.4
1980	259.6	258.6	-1.0
1981	--	288.5	--

*Down by less than \$50,000.

The Department of Finance has available upon request a quarterly personal income series back to 1969 which is consistent with the revised annual figures. (Quarterly data prior to 1969 which tie to the latest Commerce revision will be available in the near future.) Total personal income in the first and second quarters of 1982 were revised downward by \$2.2 billion and \$1.6 billion, respectively. Third quarter income is estimated at \$314.3 billion, or up 6.9 percent from the same quarter a year ago.

CURRENT CALIFORNIA ECONOMIC DATA

	1982				1981		Percent Change Sept. 1981- Sept. 1982
	Sept.	Aug.	July	June	Sept.	Aug.	
<u>Employment^{a/}</u>							
Civilian employment (000) - - - - -	11,027	10,882	10,916	11,033	0,889	10,950	1.3
Unemployment (000) - - - - -	1,238	1,253	1,287	1,155	869	820	42.5
Unemployment rate - - - - -	10.1	10.3	10.5	9.5	7.4	7.0	--
<u>Nonagricultural wage and salary employment^{b/} (000)- - - - -</u>							
9,858.0	9,876.9	9,908.9	9,909.2	10,086.4	10,087.3	-2.3	
Mining - - - - -	47.7	48.5	48.6	48.9	50.0	49.7	-4.6
Construction - - - - -	358.4	362.6	371.8	380.2	424.5	429.2	-15.6
Manufacturing - - - - -	1,927.5	1,939.0	1,946.8	1,961.1	2,030.5	2,038.3	-5.1
Aerospace ^{c/} - - - - -	628.9	632.8	632.2	629.1	633.3	638.4	-0.7
Transportation and public utilities -	545.2	542.5	546.8	547.9	554.0	555.5	-1.6
Trade - - - - -	2,279.2	2,286.6	2,295.8	2,293.8	2,345.0	2,343.6	-2.8
Finance, insurance, and real estate -	651.3	649.8	650.4	653.0	649.3	648.7	0.3
Services - - - - -	2,301.1	2,310.8	2,316.0	2,288.7	2,265.2	2,259.3	1.6
Government - - - - -	1,747.6	1,737.1	1,732.7	1,735.6	1,767.9	1,763.0	-1.1
Federal - - - - -	322.6	321.4	320.3	319.6	321.8	320.6	0.2
State and local - - - - -	1,425.0	1,415.7	1,412.4	1,416.0	1,446.1	1,442.4	-1.5
<u>Hours and Earnings, Manufacturing</u>							
Average weekly hours - - - - -	39.0	39.3	38.9	39.2	39.0	39.8	0.0
Average weekly earnings - - - - -	\$366.21	\$367.46	\$326.16	\$362.60	\$345.54	\$346.66	6.0
Average hourly earnings - - - - -	\$9.39	\$9.35	\$9.31	\$9.25	\$8.86	\$8.71	6.0
Index of Leading Indicators - - - - -	116.4	116.4	119.3	119.3	126.5	129.0	-8.0
<u>Trade</u>							
Retail sales (millions) - - - - -	n.a.	n.a.	\$10,698p	\$10,475	\$10,536	\$10,893	n.a.
New auto registrations (number) - - - -	63,445p	63,618	66,875	80,275	88,666	70,031	-28.4
<u>Business</u>							
Business failures (number) - - - - -	n.a.	n.a.	n.a.	n.a.	251	231	n.a.
Business liabilities (000) - - - - -	n.a.	n.a.	n.a.	n.a.	\$95,556	\$58,263	n.a.
New incorporations (number) - - - - -	4,410	4,468	4,728	4,831	5,174	4,851	-14.8
<u>Consumer Price Index, all items^{d/}</u>							
California average (1967=100) - - - - -	--	297.5	--	298.0	--	281.4	--
San Francisco (1967=100) - - - - -	--	304.3	--	304.6	--	287.9	--
Los Angeles (1967=100) - - - - -	288.2	292.8	289.3	290.1	279.3	274.8	3.2
San Diego (1967=100) - - - - -	325.6	--	334.8	--	313.9	--	3.7
<u>Production</u>							
Petroleum (000 barrels daily) - - - - -	n.a.	1,106.4	1,103.5	1,099.9	1,076.3	1,070.9	n.a.
Portland cement (000 short tons)- - - -	n.a.	632.7	620.1	685.9	678.1	716.3	n.a.
Raw steel (000 net tons) - - - - -	84.6	103.8	106.2	121.6	225.7	209.6	-62.5
Selected redwood mill shipments (mil. FBM)	90.5	91.8	75.0	61.2	70.5	88.8	28.4
<u>Construction</u>							
Private residential housing units authorized (number) - - - - -	6,533	5,650	9,711	8,620	7,300	7,614	-10.5
Nonresidential building authorized, valuation (millions)- - - - -	\$693.5	\$626.3	\$736.1	\$952.9	\$766.7	\$754.1	-9.5

^{a/}Adjusted for seasonal variation.^{b/}Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.^{c/}The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.^{d/}All urban series.^p Preliminary estimate.

n.a. Not available

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

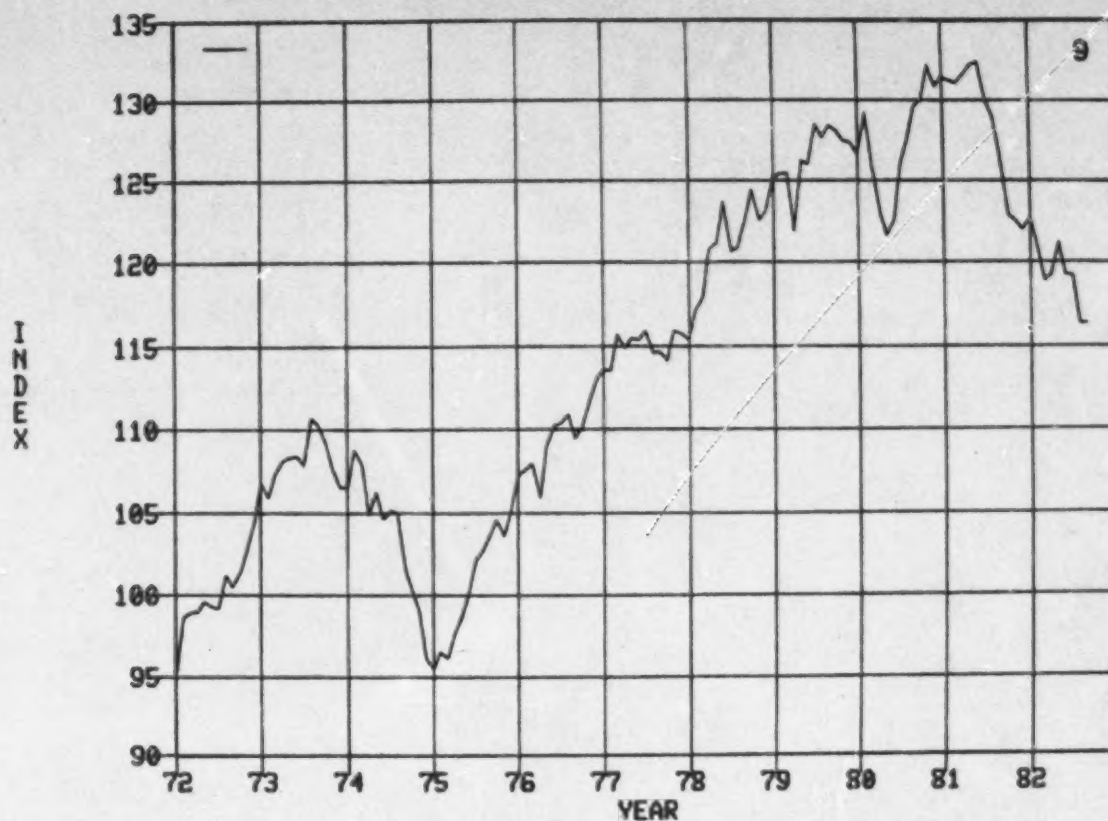
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

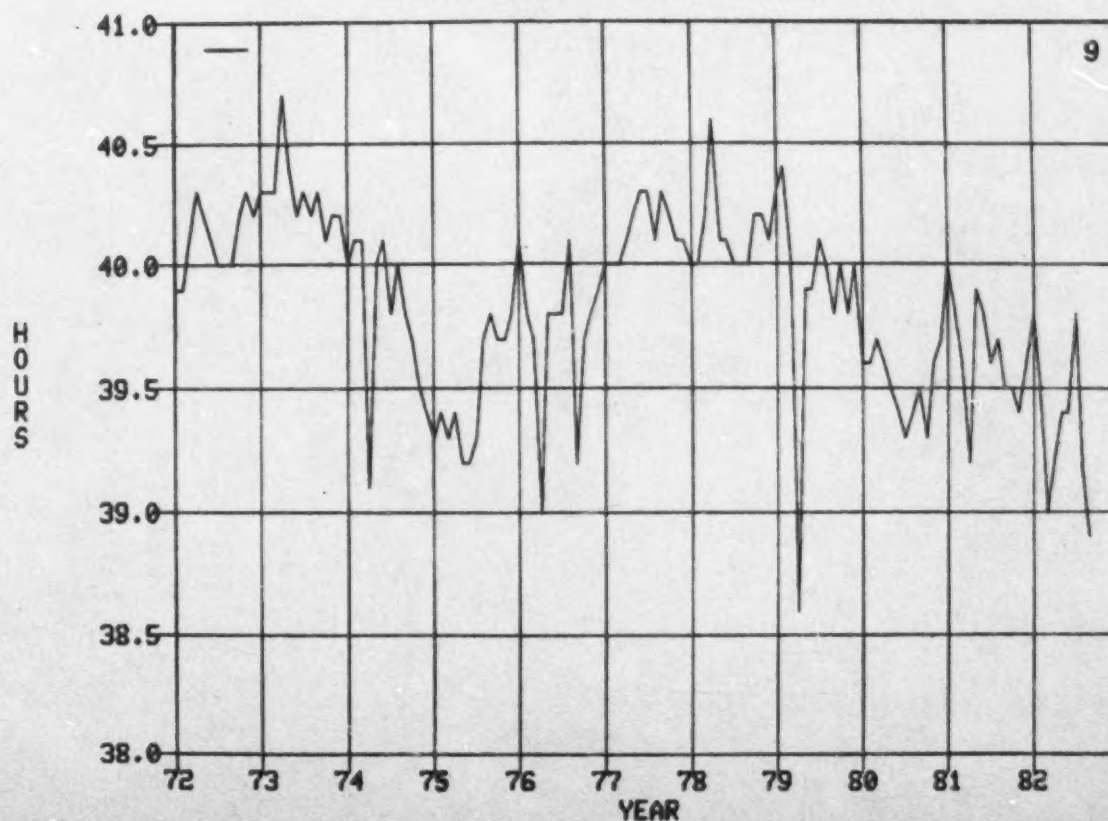
n.a. Not available
e Estimate

p Preliminary
r Revised

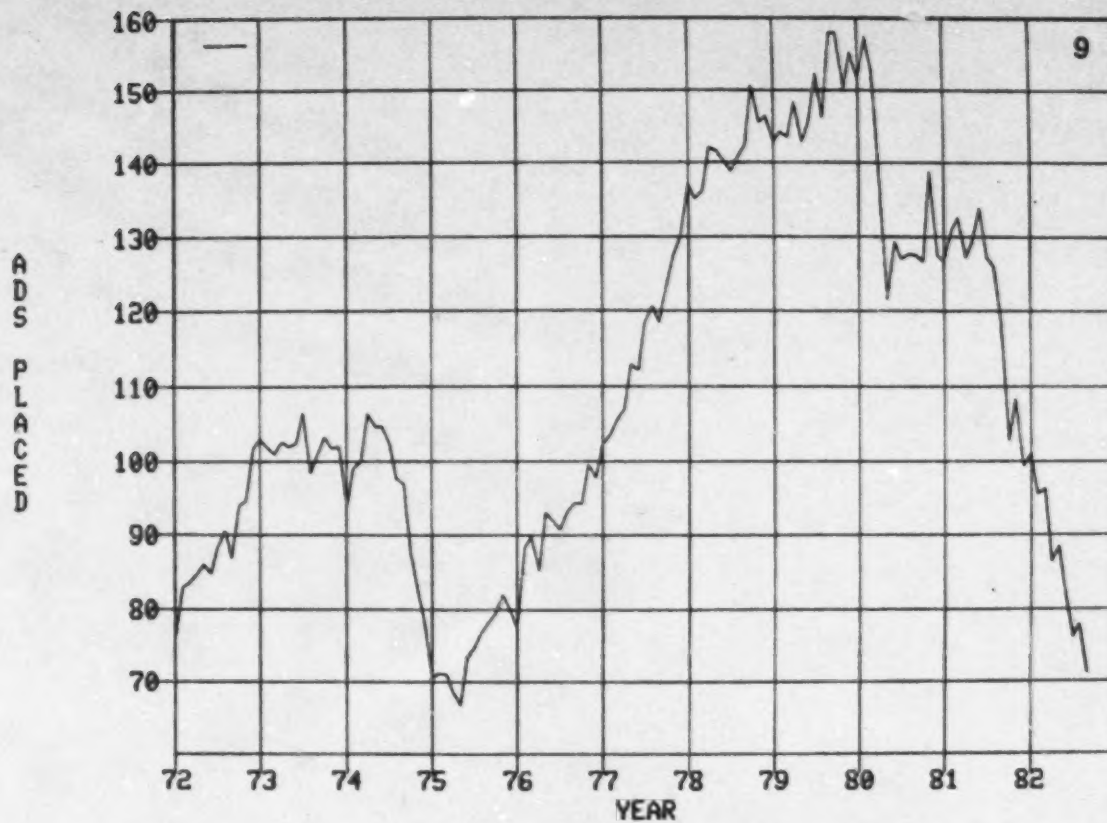
INDEX OF LEADING INDICATORS (1972=100)



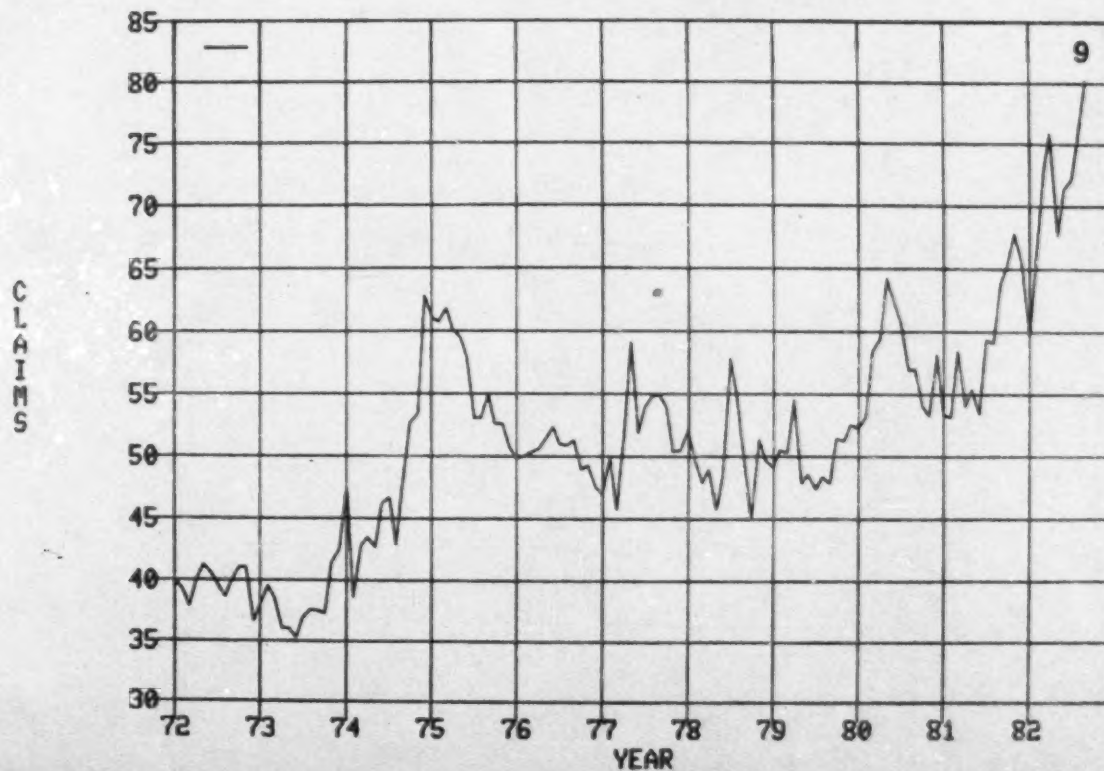
AVERAGE WEEKLY HOURS, MANUFACTURING



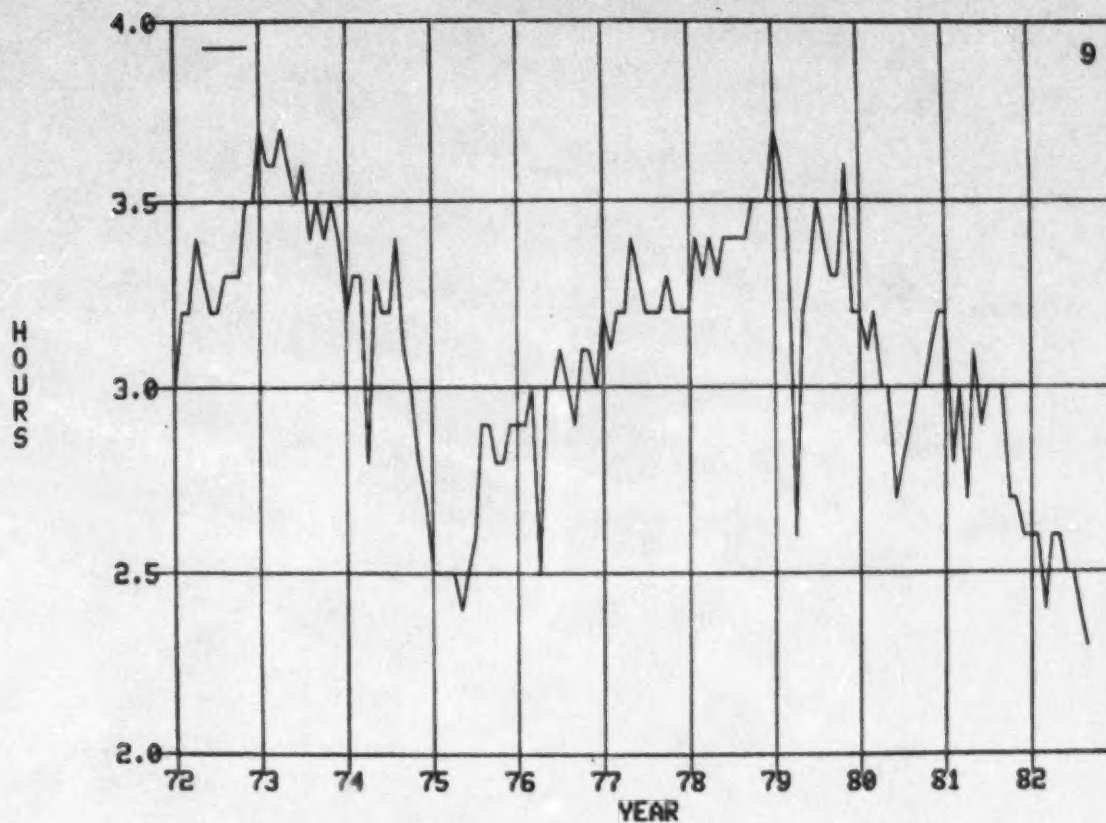
HELP WANTED ADS, LOS ANGELES (IN THOUSANDS)



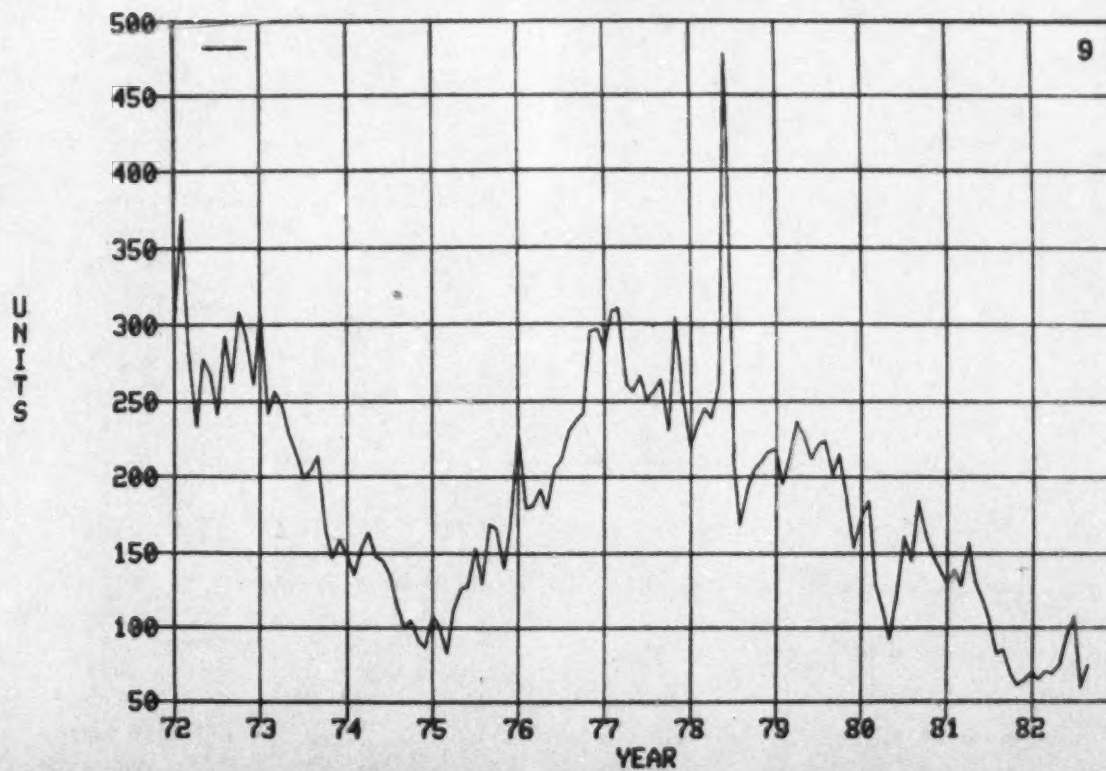
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)



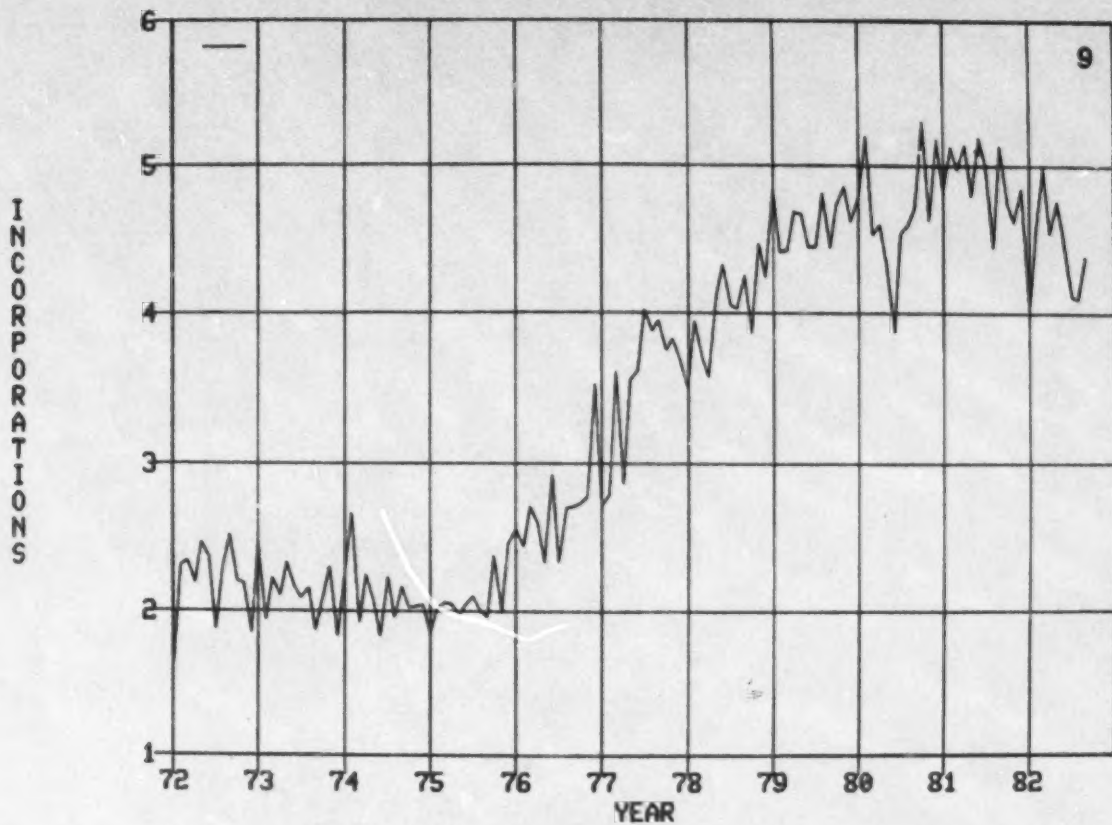
OVERTIME HOURS, MANUFACTURING



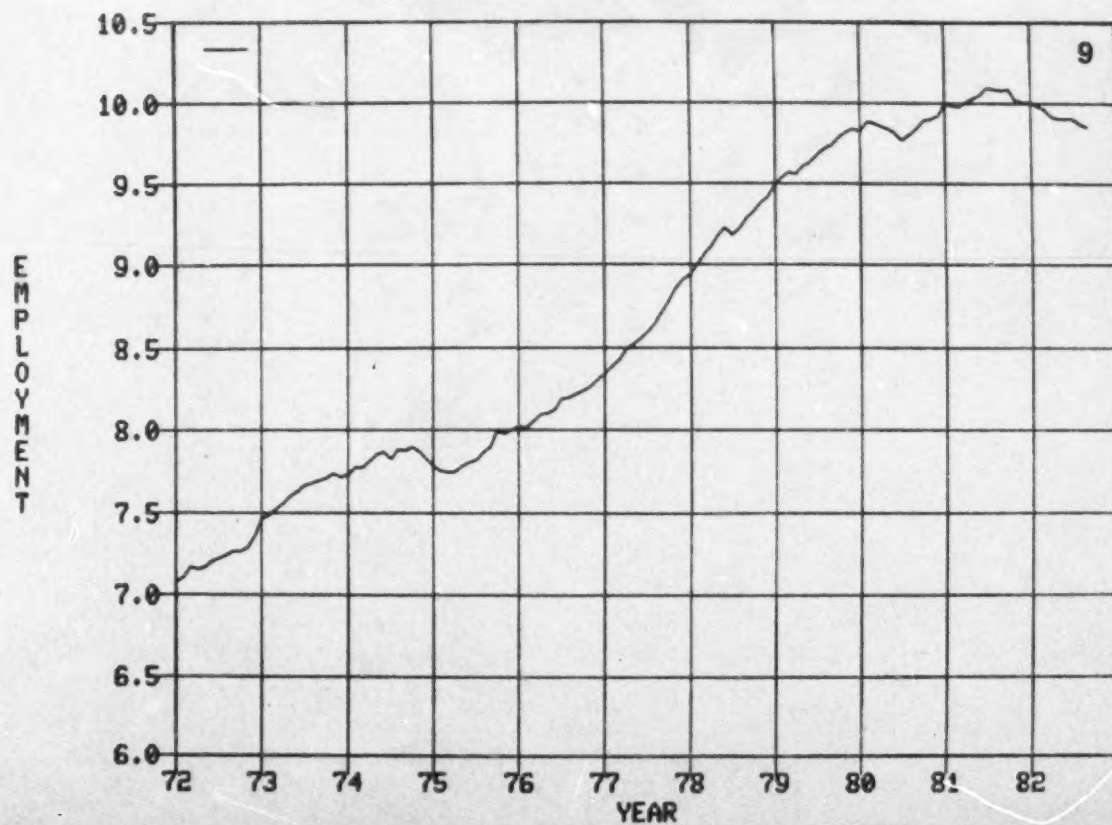
TOTAL HOUSING UNITS AUTHORIZED, ANNUAL BASIS (IN THOUSANDS)



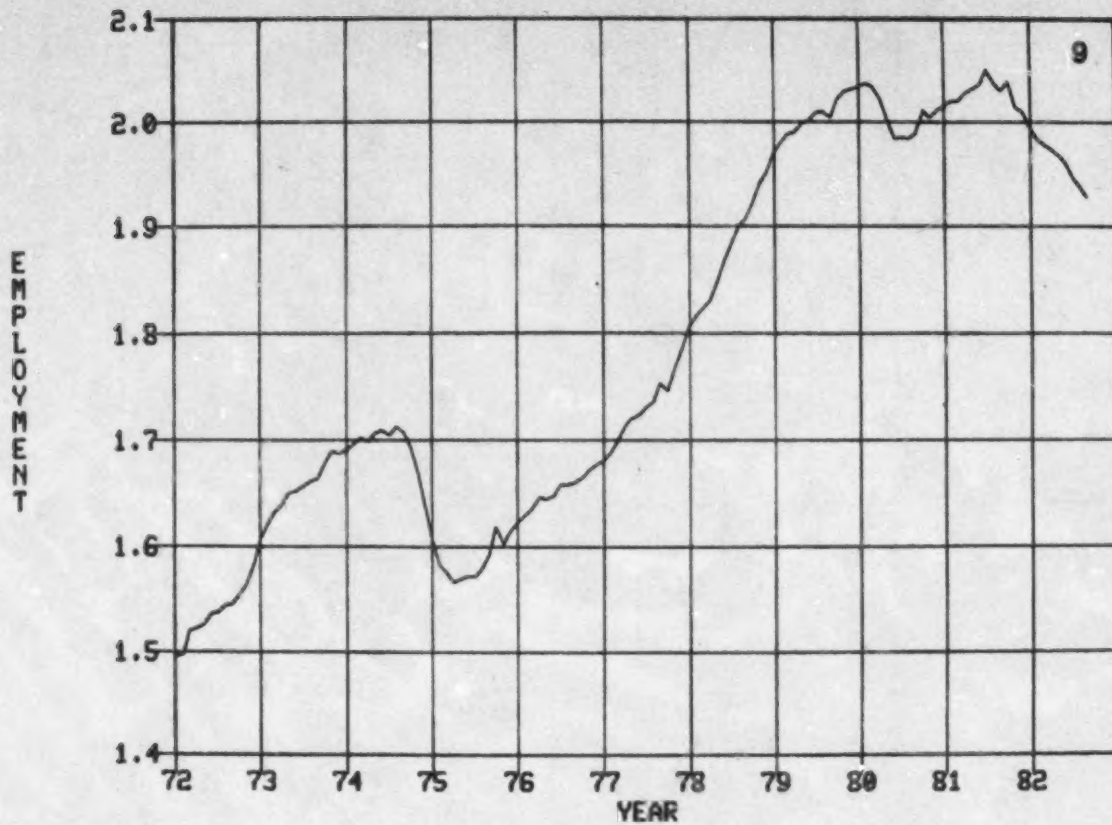
NEW BUSINESS INCORPORATIONS (IN THOUSANDS)



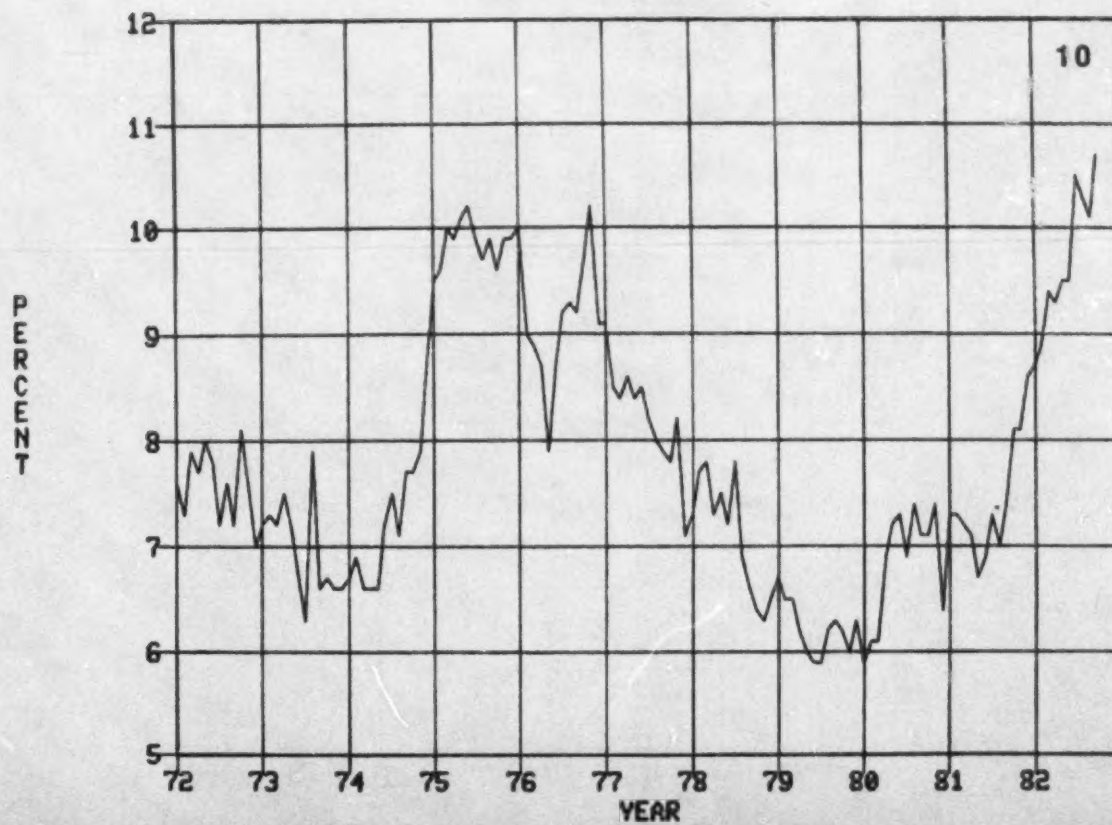
NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)



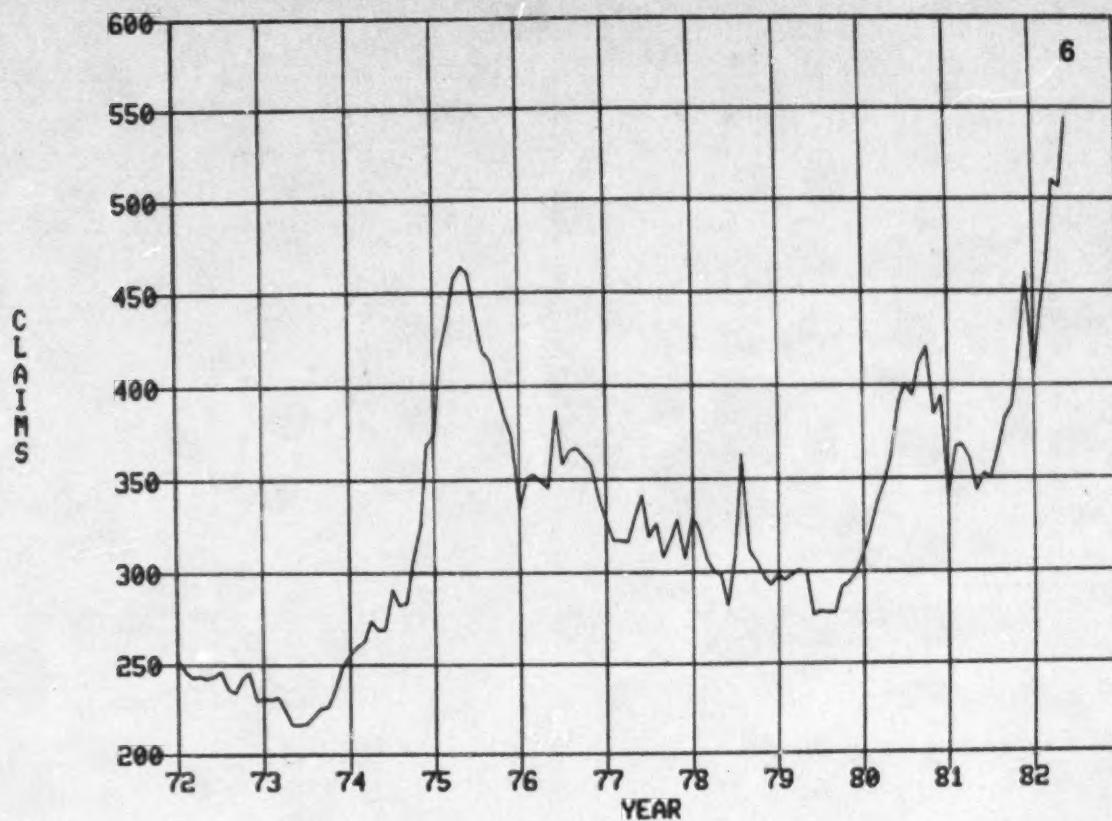
MANUFACTURING EMPLOYMENT (IN MILLIONS)



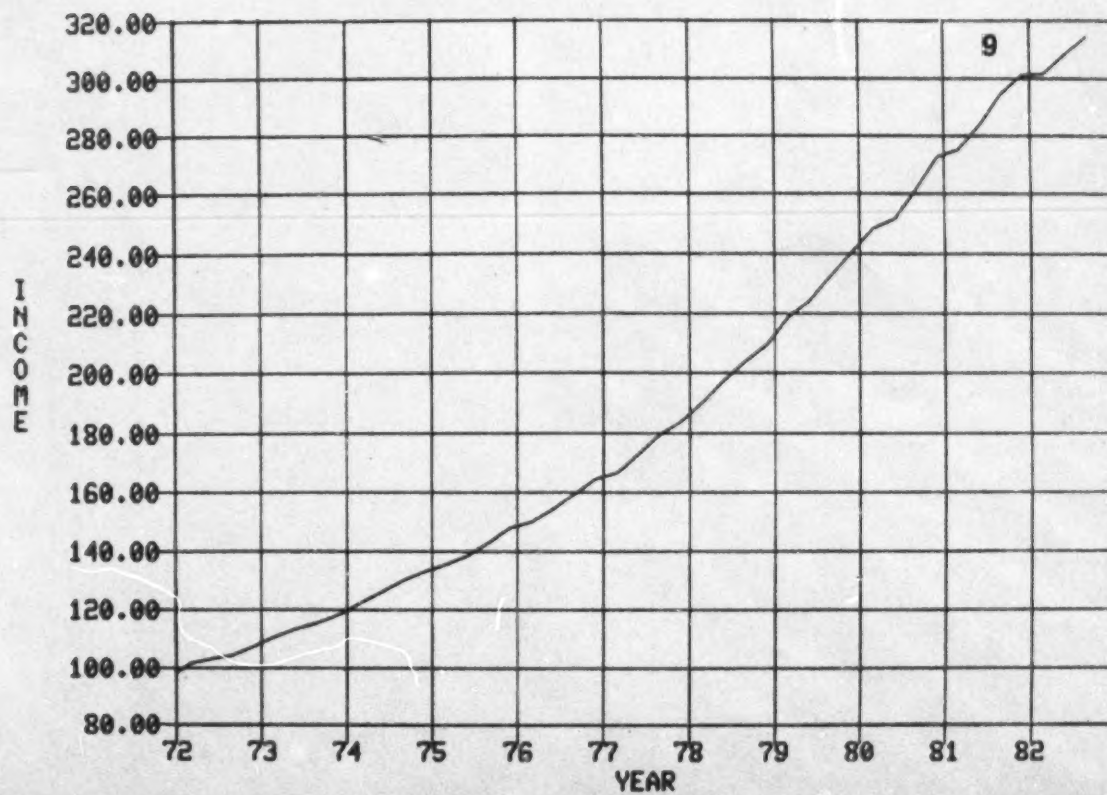
UNEMPLOYMENT RATE



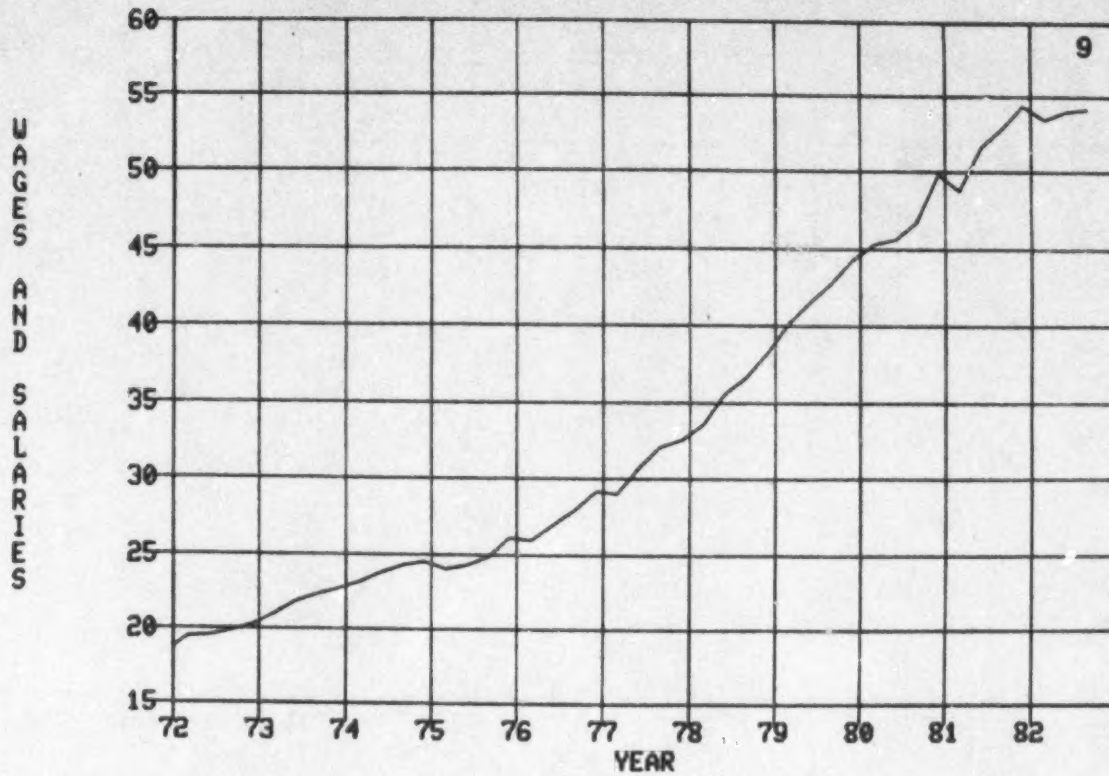
INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)



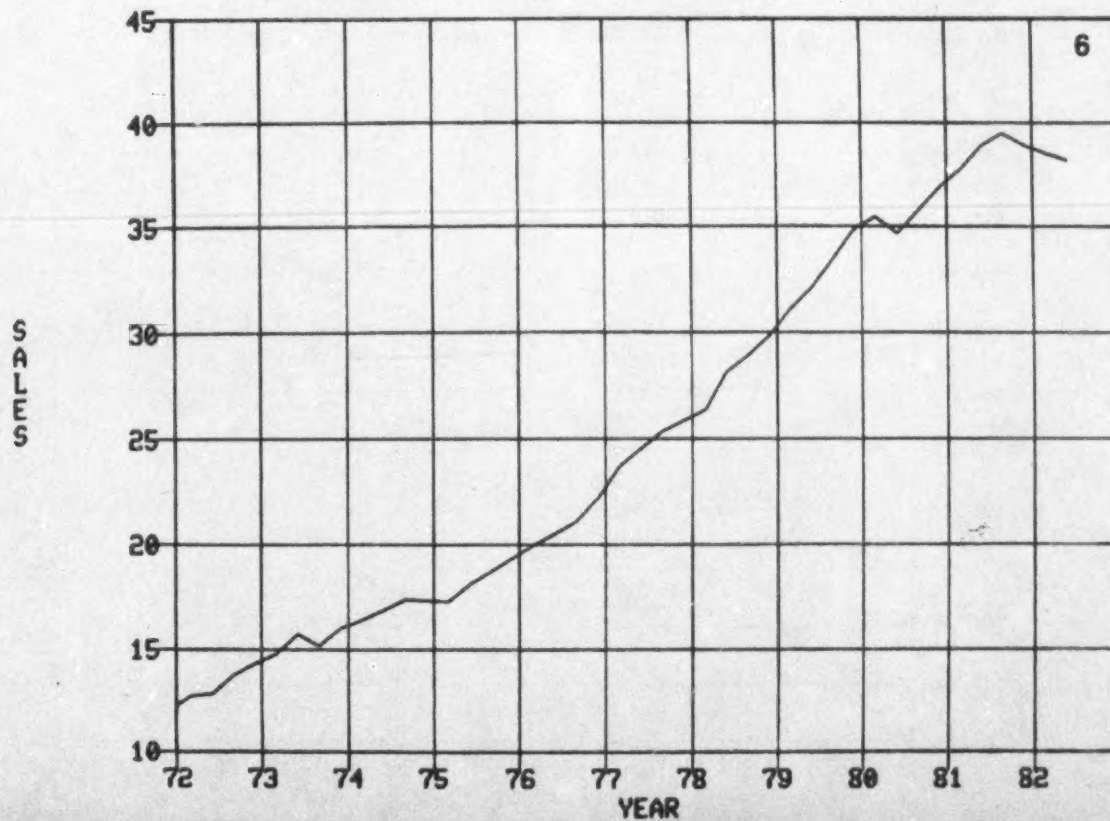
PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)



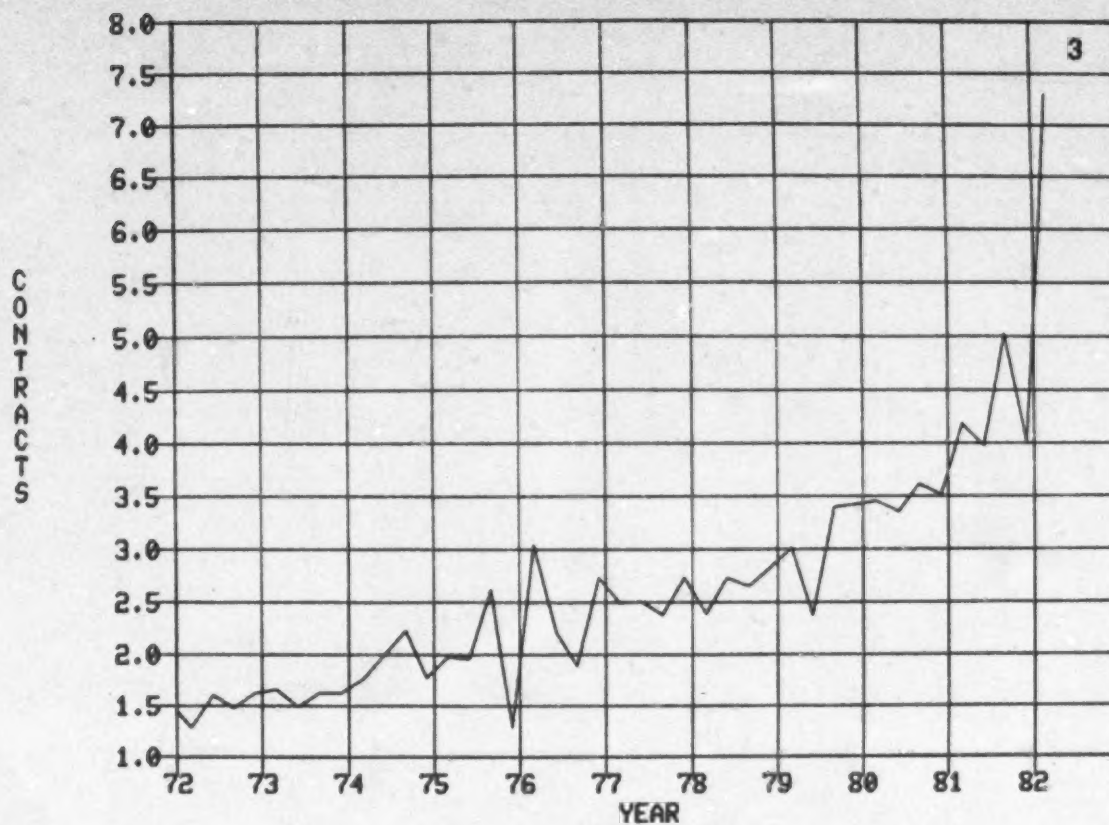
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND
CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



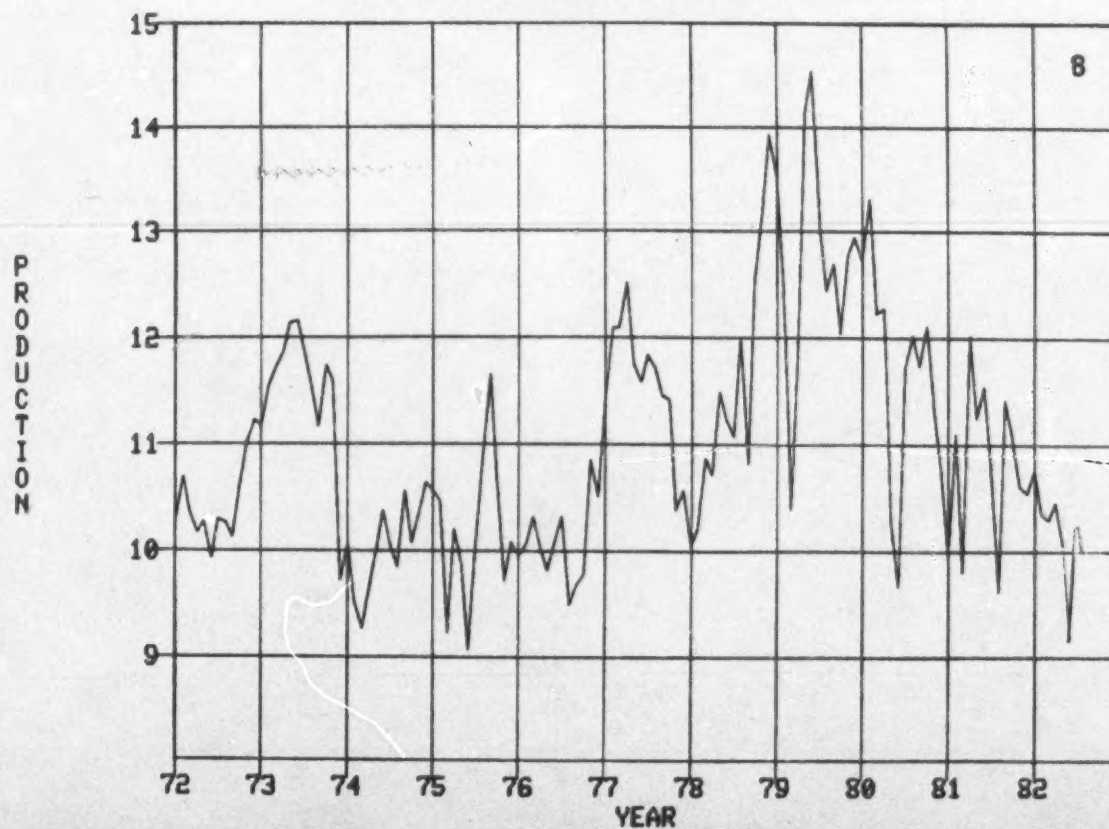
TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)



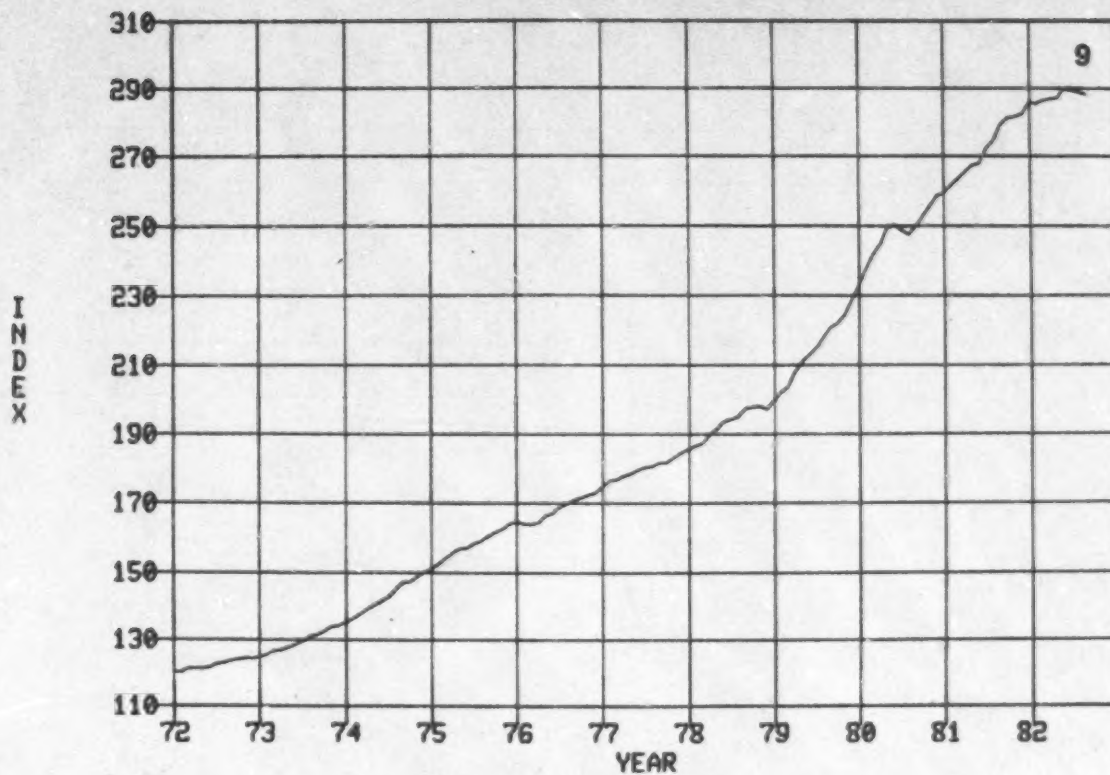
DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)



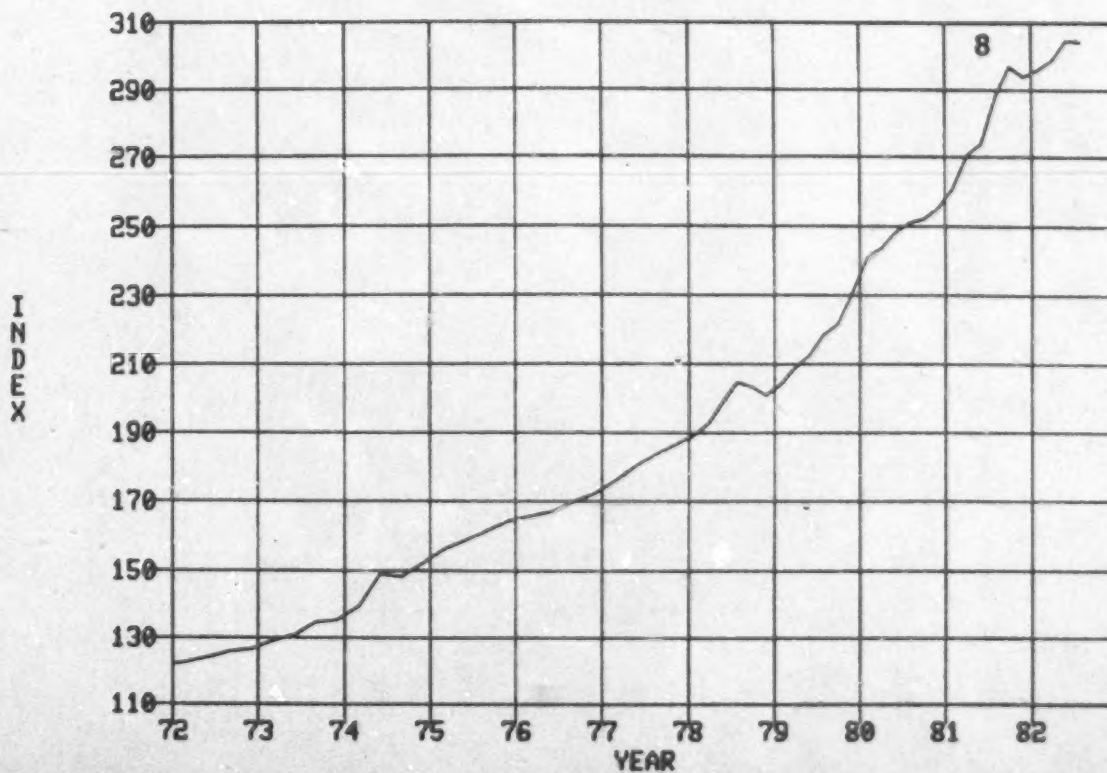
ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)



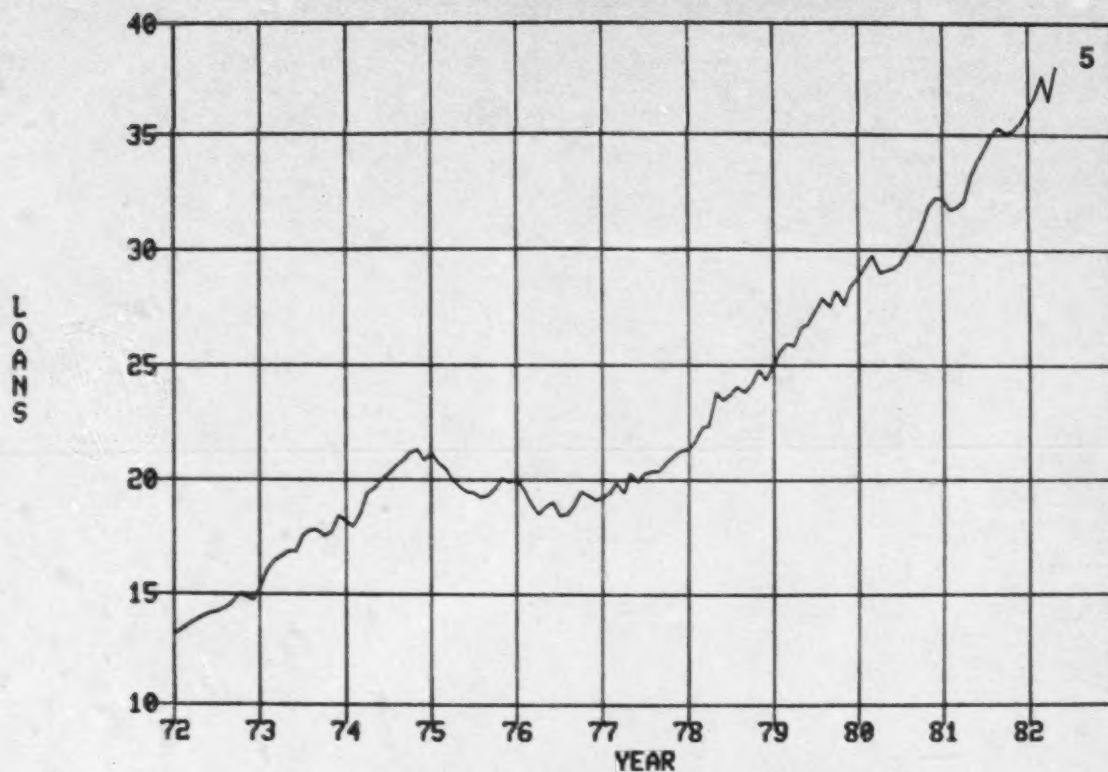
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



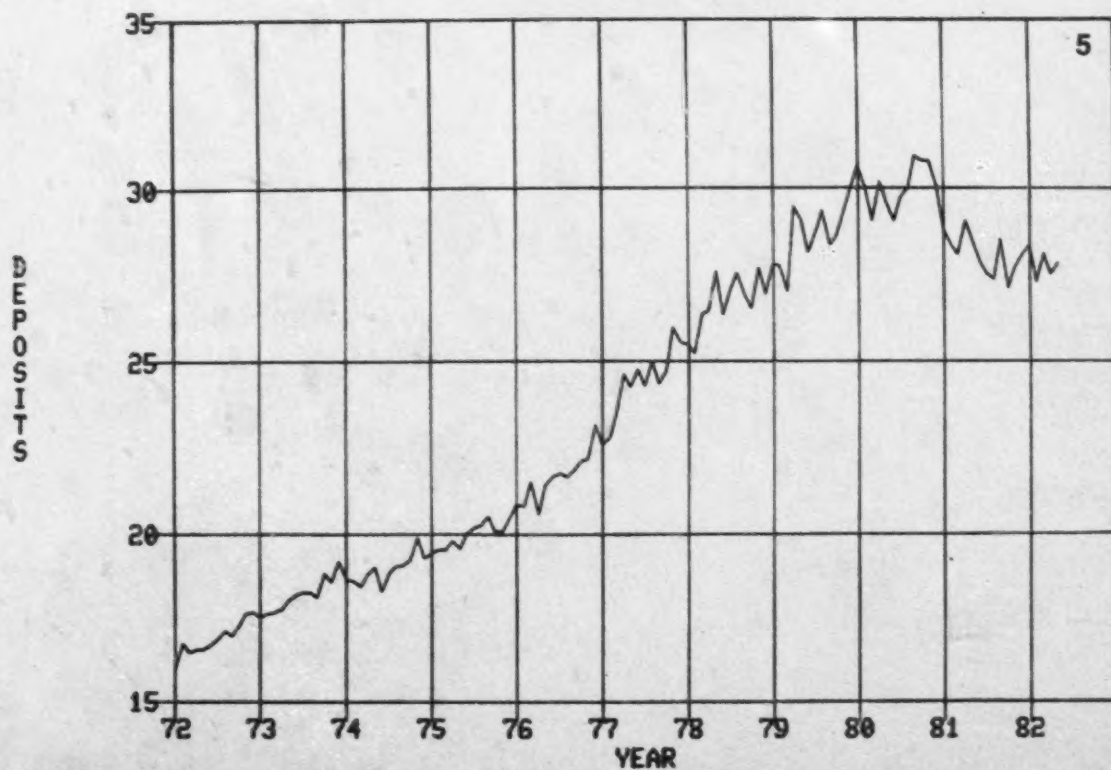
CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators						
	Index of Leading Indicators/ (1972=100)	Average Weekly Hours, Manufac- turing	Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufac- turing	Total Housing Units Authorized (thousands)	New Business Incorporations
<u>1979</u>							
January	125.1	40.2	142.9	49.3	3.6	218.1	4,852
February	125.4	40.4	144.2	50.6	3.6	195.3	4,288
March	125.4	40.0	143.5	50.2	3.4	214.9	4,414
April	121.9	38.7	148.5	54.4	2.7	236.2	4,689
May	126.2	39.9	142.9	47.6	3.3	226.4	4,760
June	126.0	39.9	145.4	48.7	3.3	211.9	4,310
July	128.5	40.2	152.3	47.1	3.5	221.3	4,508
August	127.7	40.0	146.3	48.5	3.4	223.9	4,902
September	128.4	39.9	158.0	47.7	3.3	201.9	4,422
October	128.1	40.0	158.0	51.2	3.3	215.5	4,790
November	127.5	39.8	150.2	50.9	3.5	184.5	4,890
December	127.4	40.0	155.3	53.3	3.2	153.7	4,547
<u>1980</u>							
January	126.7	39.6	151.7	56.4	3.1	173.8	4,778
February	129.2	39.6	157.4	54.9	3.1	184.6	5,206
March	126.0	39.7	152.7	58.5	3.1	130.1	4,534
April	123.1	39.6	135.0	59.0	3.0	112.4	4,592
May	121.6	39.5	121.7	61.0	3.0	92.4	4,326
June	122.5	39.4	129.4	61.9	2.7	124.4	3,882
July	125.9	39.4	127.1	60.0	2.8	161.1	4,439
August	127.6	39.4	127.6	58.2	2.9	145.5	4,596
September	129.6	39.6	127.4	57.9	3.0	184.1	4,710
October	130.1	39.3	126.7	54.9	3.0	161.5	5,312
November	132.2	39.6	138.6	54.4	3.1	149.4	4,631
December	130.9	39.6	127.4	59.1	3.2	138.7	5,181
<u>1981</u>							
January	131.5	39.8	126.7	52.7	3.1	129.9	4,826
February	131.3	39.8	130.8	53.4	2.8	138.9	5,130
March	131.1	39.5	132.6	58.0	3.0	128.3	4,976
April	131.6	39.6	127.2	53.8	2.8	156.8	5,145
May	132.2	39.9	129.4	54.9	3.1	131.3	4,801
June	132.4	39.8	133.9	53.6	3.0	118.9	5,194
July	130.2	39.6	127.4	58.8	3.0	105.8	5,011
August	129.0	39.7	125.9	59.6	3.0	82.5	4,450
September	126.5	39.5	118.2	63.6	3.0	85.6	5,139
October	122.9	39.5	102.8	65.2	2.7	69.1	4,753
November	122.6	39.4	108.4	67.2	2.7	61.1	4,619
December	122.0	39.6	99.3	66.8	2.6	64.2	4,845
<u>1982</u>							
January	122.7	39.8	100.8	59.7	2.6	69.4	4,018
February	121.1	39.5	95.5	65.5	2.6	65.1	4,529
March	118.9	39.0	96.1	72.6	2.4	70.7	4,997
April	119.2	39.2	86.4	75.8	2.6	69.0	4,550
May	121.2	39.4	88.4	67.7	2.6	75.1	4,754
June	119.3	39.4	81.8	71.4	2.5	94.3	4,502
July	119.2	39.8	76.2	72.1	2.5	108.4	4,127
August	116.4	39.2	77.8	75.6	2.4	59.8	4,103
September	116.4	38.9	71.2	80.3	2.3	74.7	4,348

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators						Other Indicators
	Nonagri- cultural Employment (thousands)	Wages and Salaries in Mining, Manu- facturing and Construction (mil dol.)	Unemploy- ment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.) ^{a/}	Taxable Sales (mil dol.) ^{b/}	Manufac- turing Employment (thousands)
<u>1979</u>							
January	9,483.0		6.5	298			1,967.7
February	9,509.8	40,185	6.4	296	218,672	31,107	1,974.7
March	9,554.3		6.4	299			1,986.9
April	9,549.3		6.1	301			1,986.6
May	9,601.8	41,540	6.1	299	224,028	32,069	1,996.3
June	9,639.5		6.0	276			2,004.2
July	9,685.3		6.0	278			2,011.2
August	9,725.6	42,778	6.4	278	232,650	33,468	2,015.0
September	9,758.1		6.5	278			2,010.7
October	9,780.5		6.2	292			2,019.0
November	9,822.1	44,261	6.0	294	240,180	34,832	2,028.1
December	9,836.5		6.1	300			2,029.2
<u>1980</u>							
January	9,830.5		5.9	310			2,026.1
February	9,888.3	45,261	6.1	323	248,487	35,459	2,033.6
March	9,878.5		6.1	337			2,030.3
April	9,859.3		6.9	349			2,016.9
May	9,839.8	45,632	7.2	363	251,650	34,634	2,005.6
June	9,811.1		7.3	396			1,993.2
July	9,766.8		6.9	401			1,987.3
August	9,802.0	46,669	7.4	395	261,197	35,736	1,987.4
September	9,841.1		7.1	412			1,995.3
October	9,895.3		7.1	420			2,007.8
November	9,897.1	49,837	7.4	384	272,878	36,855	2,004.4
December	9,925.3		6.4	394			2,008.5
<u>1981</u>							
January	9,993.0		7.3	340			2,016.3
February	9,985.8	48,760	7.3	367	274,969	37,732	2,020.2
March	9,978.1		7.2	368			2,020.3
April	10,013.3		7.1	360			2,028.3
May	10,033.3	51,610	6.7	343	283,748	38,914	2,031.6
June	10,055.8		6.9	353			2,036.4
July	10,097.1		7.3	350			2,050.9
August	10,087.3	52,813	7.0	366	294,060	39,509	2,038.3
September	10,086.3		7.4	381			2,030.5
October	10,087.4		8.1	389			2,039.5
November	10,024.9	54,434	8.1	417	301,146	38,924	2,014.1
December	10,011.2		8.6	46			2,010.1
<u>1982</u>							
January	10,011.8		8.7	405			1,994.0
February	9,989.3	53,457	8.9	437	301,681	38,528	1,983.8
March	9,969.3		9.4	467			1,977.8
April	9,920.0		9.3	510			1,974.3
May	9,907.7	55,011	9.5	506	308,115	38,166	1,967.7
June	9,909.2		9.5	544			1,961.1
July	9,908.9		10.5				1,946.8
August	9,876.9	54,198	10.3		314,259		1,939.0
September	9,858.0		10.1				1,927.5
October			10.7				

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	DOD Prime Contracts (mil dol.) ^{b/}	Consumer Price Index (1967=100) ^{c/}				California Commercial and	California Demand	Electricity
		San Francisco		Los Angeles		Industrial	Deposits	Production
		Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban	Loans (mil dol.)	Adjusted (mil dol.)	(mil KWH)
1979								
January		--	--	199.7	199.6	24,955	27,782	13,803
February	3,015	204.2	203.9	202.3	201.9	25,563	27,761	12,461
March		--	--	204.4	203.8	25,917	27,011	10,778
April		209.3	208.8	208.8	207.8	25,836	29,474	11,708
May	2,373	--	--	212.4	211.0	26,618	29,038	13,833
June		213.7	212.5	214.5	212.9	26,786	28,141	13,929
July		--	--	216.8	214.7	27,380	28,715	13,231
August	3,392	218.6	218.3	219.6	217.5	27,864	29,326	12,500
September		--	--	223.0	220.7	27,517	28,360	12,582
October		220.8	221.5	224.0	221.8	28,191	28,613	11,987
November	3,423	--	--	225.8	224.2	27,628	29,341	12,709
December		229.0	230.2	229.9	228.0	28,396	29,951	12,970
1980								
January		--	--	235.0	232.6	28,763	30,657	13,136
February	3,449	240.0	240.7	240.0	237.6	29,315	29,968	13,292
March		--	--	243.9	241.3	29,691	29,037	12,908
April		242.8	243.5	247.8	244.6	28,966	30,185	12,073
May	3,350	--	--	252.6	249.1	29,091	29,577	10,040
June		247.7	248.0	253.4	250.1	29,203	29,049	9,150
July		--	--	251.5	248.7	29,414	29,714	11,914
August	3,617	251.4	251.0	250.1	247.3	29,979	29,981	12,115
September		--	--	251.6	249.6	30,175	30,939	11,582
October		252.6	251.9	254.9	252.6	30,961	30,809	12,040
November	3,513	--	--	258.4	255.5	31,832	30,802	11,312
December		255.7	254.9	262.2	258.7	32,213	30,041	10,690
1981								
January		--	--	262.7	259.4	32,168	28,806	9,919
February	4,176	261.6	260.5	265.0	261.6	31,730	28,371	11,096
March		--	--	266.5	263.3	31,822	28,066	9,811
April		270.9	270.3	269.1	265.5	32,050	29,062	12,026
May	3,980	--	--	270.7	267.3	33,120	28,542	11,246
June		274.3	274.0	271.7	267.9	33,882	27,891	11,540
July		--	--	276.3	272.2	34,365	27,533	10,786
August	5,017	287.2	287.9	278.6	274.8	35,035	27,385	9,622
September		--	--	282.9	279.3	35,306	28,537	11,417
October		295.6	297.0	284.9	281.3	35,082	27,124	11,045
November		--	--	285.5	281.8	35,173	27,684	10,618
December	4,007	292.7	294.0	286.1	282.3	35,539	28,060	10,548
1982								
January		--	--	289.8	285.6	36,213	28,359	10,758
February	7,292	249.9	295.8	289.4	285.6	36,674	27,290	10,348
March		--	--	290.4	286.6	37,646	28,117	10,291
April		297.8	298.8	290.5	286.8	36,517	27,517	10,453
May		--	--	290.6	287.1	38,064	27,821	10,052
June		303.4	304.6	293.9	290.1			9,162
July		--	--	293.0	289.3			10,255
August		302.8	304.3	292.8	289.1			9,955
September		--	--	291.7	288.2			

^{a/}Annual basis.^{b/}Quarterly data.^{c/}Not adjusted for seasonal variation.^{r/}Revised

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CRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1969</u>		<u>1970--Continued</u>	
January 1	Social security contribution rate increased to combined 9.6 percent.	November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.	November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.	November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.	December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.	December 20	13-week extended duration unemployment benefits in effect.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.	December 22	Prime rate reduced from 7 percent to 6-3/4 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.		
October 27-February 1970	General Electric strike.		
<u>1970</u>		<u>1971</u>	
January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.	January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.	January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.	January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.	January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
April 2-June 2	Teamster strike.	January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
May 6	Stock margin requirement cut from 80 percent to 65 percent.	January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
July 1	Personal income tax surcharge removed.	February 4	Rolls Royce bankruptcy announced.
September 14-November 23	UAW strike against GM.	February 9	Los Angeles earthquake.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.	February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
		February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
		February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

<u>1971--Continued</u>		<u>1971--Continued</u>	
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.	November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to January 1, 1971. Contribution base raised to \$9,000 effective January 1, 1972.	November 14	Phase II of NEP in effect.
March 25	SST program terminated.	December 6	Stock margin requirements cut from 65 percent to 55 percent.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.	December 10	Revenue Act of 1971 signed into law.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.	December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.		Intent to devalue U.S. dollar announced.
May 17-18	Rail strike.	<u>1972</u>	
June 1-July 27	Communications workers strike against Western Union.	January 17-February 20	West Coast dock strike continued.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.	February 1-March 15	Kaiser Steel Company strike.
June 29-July 16	Northern California construction strike.	July 1	20 percent increase in social security benefits signed into law. Effective September.
July 1-October 6	West Coast dock strike.	September 11	Opening of BART Fremont-Oakland line.
July 14-August 2	Telephone strike.	September 21	"Friends of Mammoth" decision.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.	November 24	Stock margin requirements raised to 65 percent.
July 16-August 2	Rail strike.	<u>1973</u>	
July 31	Steel strike averted by accord on contract.	January 11	Phase III of NEP in effect.
August 2	Lockheed loan guarantee approval.	January 15	Discount rate raised from 4-1/2 percent to 5 percent.
August 3	Teamsters walkout in Northern California against building contractors.	January 27	Viet Nam cease fire signed.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.	January 29	Opening of BART Richmond-Oakland line.
October 1	East and Gulf Coast longshoremen's strike.	February 12	10 percent devaluation of U.S. dollar announced.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.	March 2	Major foreign currency exchanges closed.
		March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

<u>1973</u>	
April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

<u>1974</u>	
January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to \$2.00 per hour from \$1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

<u>1974--Continued</u>	
April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent.
	Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:
	October 21....11 1/2 percent
	October 28....11 1/4 percent
	November 4....11 percent
	November 14....10 3/4 percent
	November 25....10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

<u>1975</u>	
January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows:
	January 21.....9 3/4 percent
	January 31.....9 percent
	February 6.....8 3/4 percent
	February 19.....8 1/2 percent
	March 3.....8 1/4 percent
	March 8.....8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

CHRONOLOGY--Continued

<u>1975--Continued</u>		<u>1976--Continued</u>	
March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.	September 15-October 13	Auto workers strike.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.	October 18	California minimum wage raised to \$2.50 per hour.
March 25	King Faisal assassinated.	December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.
March 29	Tax reduction act signed into law.	<u>1977</u>	
May 19	Prime rate reduced to 7-1/4 percent by several major banks.	May 16	Prime rate raised to 6-1/2 percent.
June 10	Prime rate reduced to 7 percent by most banks.	May 31	Prime rate raised to 6-3/4 percent.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.....7-1/2 percent August 11.....7-3/4 percent September 15....8 percent	August 22	Prime rate raised to 7 percent.
September 1	National Airlines strike.	August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.	September 16	Prime rate raised to 7-1/4 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31.....7-1/2 percent November 21.....7-1/4 percent	October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
December 5-19	United Airlines strike.	October 7	Prime rate raised to 7-1/2 percent.
<u>1976</u>		October 10-January 4	IAM-Lockheed strike.
January 12	Prime rate lowered to 7 percent.	October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.	October 26	Discount rate raised from 5-3/4 percent to 6 percent.
January 21	Prime rate reduced to 6-3/4 percent.	December 6-March 24	United Mine Workers strike.
April 1-3	Teamsters strike.	<u>1978</u>	
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.	January 1	U.S. minimum wage increased to \$2.65 per hour.
April 21	Rubber workers strike.	January 9	Discount rate raised from 6 percent to 6-1/2 percent.
July 20-August 2	Cannery workers strike.	January 10	Prime rate raised to 8 percent.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4.....6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent	February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
		April 1	California minimum wage increased from \$2.50 to \$2.65 per hour.
		April 1-May 28	United Airlines strike.
		May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

1978--Continued		1978--Continued	
May 8	California savings and loan associations raised mortgage rates from 9-3/4 percent to 10 percent.	October 12	Prime rate raised from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.	October 15	Tax cut and energy bills passed by Congress.
May 23	Federal funds rate increased to 7-1/2 percent.	October 16	Discount rate raised from 8 percent to 8-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.	October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.	October 24	Prime rate raised from 10 percent to 10-1/4 percent.
June 6	Proposition 13 approved by California voters.		California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
June 16	Prime rate raised to 8-3/4 percent.	October 24	Phase II announced: voluntary guidelines on wages and prices.
June 20	OPEC announced a freeze on crude oil prices until December 16.	November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.		Prime rate raised to 10-1/2 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.	November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
June 30	Prime rate raised to 9 percent.	November 13	Prime rate raised from 10-3/4 percent to 11 percent.
July 10	Discount rate raised to 7-1/4 percent.	November 24	Prime rate raised to 11-1/2 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.	November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
August 20	Retail clerks union strike in Southern California.	December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
August 21	Discount rate raised to 7-3/4 percent.	December 19	Federal funds rate raised to 10 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.	December 20	Prime rate raised to 11-3/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.	<u>1979</u>	
September 15	Prime rate raised to 9-1/2 percent.	January 1	U.S. minimum wage increased to \$2.90 per hour.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.	January 13	Prime rate reduced to 11-1/2 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.	March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
		March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

CHRONOLOGY--Continued

<u>1979--Continued</u>		<u>1980--Continued</u>	
March 31	United Airlines-machinist strike.	March 14	Announcement of tighter fiscal policies.
April 1-10	Teamsters strike.	March 18	Prime rate raised to 19 percent.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.	April 2	Prime rate raised to 20 percent.
May 19	Federal funds rate set at 7-1/4 percent.	April 3	FHA mortgages raised to 14 percent.
May 26	United Airlines strike ended.	April 20	Prime rate reduced to 19-1/2 percent.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.	April 28	FHA mortgages reduced to 13 percent.
June 12	Prime rate reduced to 11-1/2 percent.		Prime rate reduced to 18-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.	May 5	Prime rate reduced to 18 percent.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.	May 7	Prime rate reduced to 17 percent.
August 16	Discount rate raised to 10-1/2 percent.	May 12	Prime rate reduced to 16-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.	May 19	Prime rate reduced to 16 percent.
August 26- September 10	Los Angeles Rapid Transit District strike.	May 28	Discount rate lowered to 12 percent from 13 percent.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.	June 4	Prime rate reduced to 13 percent.
August 31- November 21	BART strike.	June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
September 4	Federal funds rate raised from 11-1/2 percent	June 20	Prime rate reduced to 12 percent.
	<u>1980</u>	June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
February 25	Prime rate raised to 16-1/2 percent.	June 25	Carpenters strike in Northern California ended.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.	July 3	ICC begins trucking industry deregulation.
February 29	Prime rate raised to 16-3/4 percent.	July 21	Motion picture and television industry strike.
March 4	Prime rate raised to 17-1/4 percent.	July 22	Prime rate reduced to 11 percent.
March 7	Prime rate raised to 17-3/4 percent.	July 25	Prime rate reduced to 10-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.	July 28	Discount rate reduced to 10 percent.
		August 5	Prime rate raised to 11 percent.

CHRONOLOGY--Continued

<u>1980--Continued</u>		<u>1981--Continued</u>	
August 27	Prime rate raised to 11-1/2 percent.	January 20	Ronald Reagan inaugurated as 40th President of the U.S.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.	January 28	Deregulation of oil and gas industry announced, effective immediately.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.	January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.	February 16	General Motors and Ford rebate plans announced.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.	February 23	Prime rate lowered to 18 percent.
October 2	Prime raised from 13 to 13-1/2 percent.	March 2	Prime rate lowered to 18-1/2 percent.
October 3	Prime raised to 14 percent.	March 10	Prime rate lowered to 18 percent.
October 15	AFTA workers return to work.	March 16	Prime rate lowered to 17-1/2 percent.
October 23	Screen Actors Guild strike ends.	March 18	Prime rate lowered to 17 percent.
October 30	Prime raised from 14 to 14-1/2 percent.	March 26	United mine workers strike.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.	April 13	Prime rate raised to 17-1/2 percent.
November 14	PSA pilots strike ends.	April 29	Prime rate raised to 18 percent.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent.	May 4	Prime rate raised to 19 percent.
November 21	Prime raised to 17 percent.	May 5	Discount rate raised from 13 percent to 14 percent.
November 28	Prime raised to 17-3/4 percent.	May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.	May 11	Prime rate raised to 19-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.	May 22	Prime rate raised to 20 percent.
December 11	Prime raised to 20 percent.	May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
December 17	Prime raised from 20 to 21 percent.	June 5	Dollar reaches highest level in international trading since December 1971.
December 23	Prime lowered from 21 to 20-1/2 percent.	June 8	Coal miners end 72 day strike and ratify a 40-month contract.
<u>1981</u>		July 8	Prime rate raised to 20-1/2 percent.
January 1	Minimum wage raised from \$3.10 to \$3.35.	August 3	Air traffic controller's strike.
January 6	Prime lowered to 20 percent.		
January 20	American hostages released from Iran.		

CHRONOLOGY--Continued

<u>1981--(Continued)</u>		<u>1982--Continued</u>	
August 14	President Reagan signs both the tax- and budget-cut bills into law.	January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.	January 27	Federal funds rate raised to 13-3/4 percent.
September 1	Prime rate lowered to 20 percent.	February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
September 21	Prime rate lowered to 19-1/2 percent.	February 18	Prime rate increased to 17 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.	February 24	Prime rate cut back to 16-1/2 percent.
October 6	Prime rate lowered to 19 percent. Egyptian President Sadat assassinated.	March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
October 13	Prime rate lowered to 18 percent.	March 8	Prime rate lowered to 16 percent.
October 30	OPEC price set at \$34.00/barrel--the Saudi benchmark.	March 16	Prime rate back up to 16-1/2 percent.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.	April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi benchmark set at \$34/barrels.
November 2	Fed discount rate cut from 14 percent to 13 percent. Prime rate lowered to 17-1/2 percent.	April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
November 10	Prime rate lowered to 17 percent.	April 12	General Motor and United Auto Workers labor agreement approved.
November 13	Prime rate lowered to 16-1/2 percent. FHA mortgage rate lowered to 15-1/2 percent.	April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
November 16	Prime rate lowered to 16 percent.	May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.	May 13	Braniff Air Lines ceases operation.
December 1	Prime rate lowered to 15-1/2 percent.	June 25	Secretary of State Alexander Haig resigns.
December 4	Fed discount rate lowered from 13 percent to 12 percent.	June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.
December 12	Martial law imposed in Poland.	July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
<u>1982</u>			
January 22	Federal funds rate raised to 13-1/2 percent.		

CHRONOLOGY--Continued

1982--Continued

July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began. Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.

SOURCES OF STATISTICAL SERIES

Employment Development Department
Employment Data and Research

Civilian employment
Unemployment
Unemployment rate
Nonagricultural employment
Manufacturing employment
Hours and earnings
Nonagricultural placements
Initial claims for unemployment
insurance
Insured unemployment
Index for production worker hours

Department of Industrial Relations
Division of Labor Statistics
and Research

California consumer price index

Department of Finance

Personal income
Wages and salaries
Index of leading indicators

Department of Motor Vehicles

New auto registrations

State Board of Equalization

Taxable sales

Security Pacific National Bank

Housing units authorized
Valuation of nonresidential
construction

U.S. Department of Commerce

Retail sales

U.S. Bureau of Labor Statistics

Consumer price indices

U.S. Department of Defense

Prime defense contracts

U.S. Department of Energy

Electricity production

California Redwood Association

Lumber production

Conservation Committee of California
Oil Producers

Petroleum production

American Iron and Steel Institute

Steel production

U.S. Bureau of Mines

Cement production

Dun and Bradstreet

Business failures and liabilities

California Secretary of State

News business incorporations

Federal Reserve Bank of
San Francisco

Demand deposits
Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

<u>Initial Trough</u>	<u>Peak</u>	<u>Terminal Trough</u>	<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		

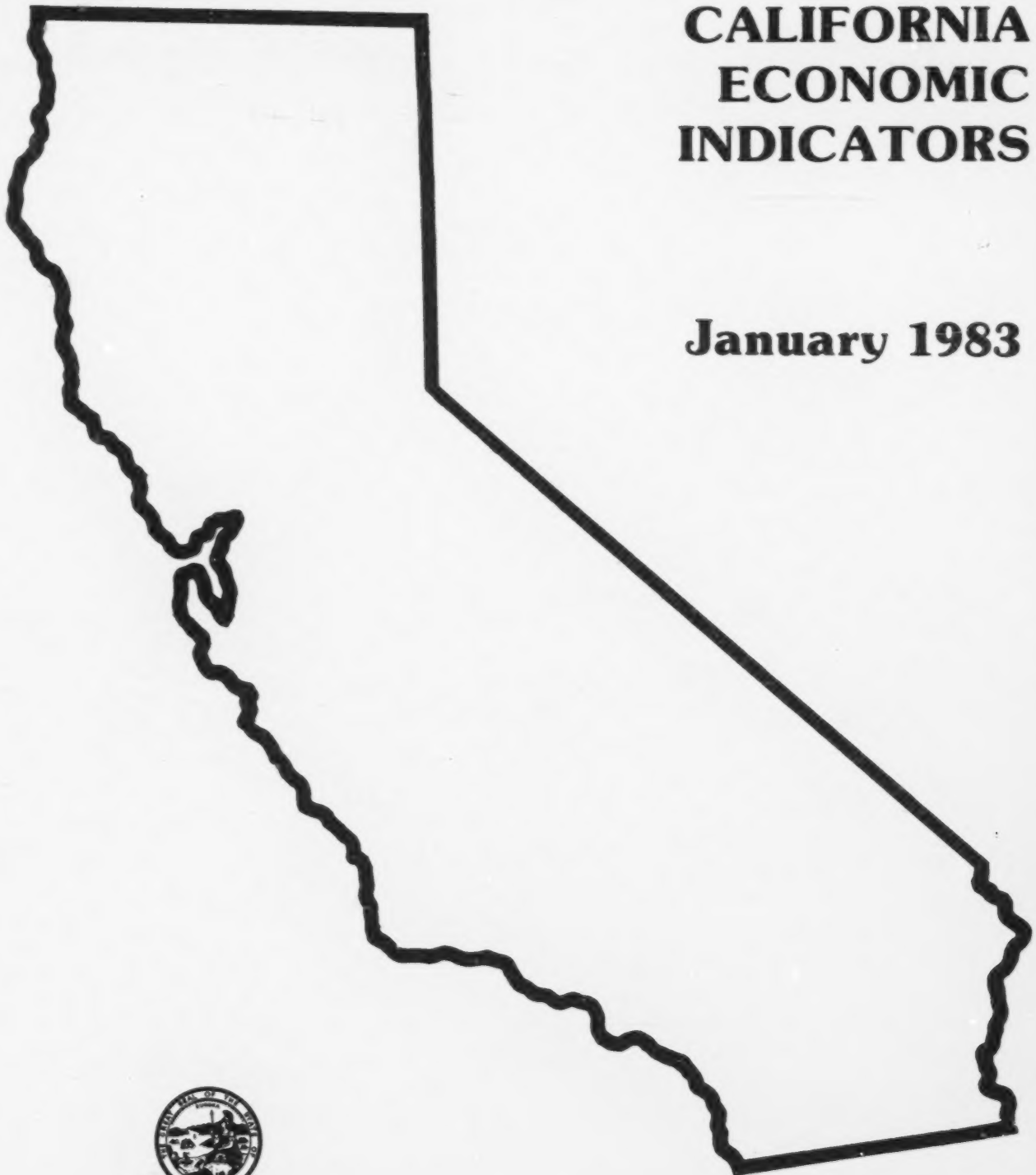
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CALIFORNIA ECONOMIC INDICATORS

January 1983



DEPARTMENT OF FINANCE

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INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- . review of economic developments
- . current California economic data table
- . economic indicator charts
- . basic data for California economic series
- . chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are \$5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

<u>Beginning Subscription Date</u>	<u>Prorated Amount Due</u>
January	\$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

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REVIEW OF ECONOMIC DEVELOPMENTS

Economic indicators for California gave mixed signals during the months of November and December. While employment conditions and production levels weakened further, new construction activity and the inflation situation improved.

The unemployment rate surged from 10.7 percent in October to 11.2 percent in November, before slipping to 11.1 percent in December. Nationally, the rate rose from 10.5 to 10.8 percent between October and December. (The unusual pattern of the California series is most likely the result of sampling errors in the household survey, rather than widely fluctuating labor market conditions.)

Job loss, the major reason behind the increased unemployment in this State, continues to rise. The number of job losers from October to December grew by 52,300; representing about 60 percent of the unemployment increase. Reentrants into the labor force rose by almost 40,000 between October and December. Such an increase does not generally occur at year-end, and may signal rising confidence in the economy.

After peaking in mid-November the number of weekly claims for unemployment insurance has fallen fairly steadily, as shown below:

Initial Claims for Unemployment Insurance

Week Ending

Nov. 13	74,550
Nov. 20	82,943
Nov. 27	70,317
Dec. 4	78,301
Dec. 11	73,660
Dec. 18	67,484
Dec. 25	70,636
Jan. 1	59,551

It is not yet known to what extent the data were affected by a holiday slowdown in layoffs, or by people waiting to file to receive an increase in weekly benefits effective January 2, 1983. The trend during the month of January will provide a better indication of whether the reduction in claims will be sustained.

Seasonally adjusted nonagricultural wage and salary employment continues to decline. In October the total fell by 22,000 jobs, and in November by an additional 39,000 jobs. Preliminary data for December indicate a further decline of about 10,000 jobs. Between the peak in July 1981 and December 1982, total nonagricultural employment has fallen from 10,097,100 to 9,787,000, or 3.1 percent. The table at the bottom of this page highlights changes among the major economic sectors.

As expected, recent declines in mortgage interest rates have provided some stimulus to new housing construction. The rate of new authorizations during October and November approached 85,000 units, up almost 10,000, or 12 percent, from the rate in the preceding nine months of 1982. A number of factors kept the gains from being even larger, including high home prices and substantial downpayment requirements.

The seasonally adjusted value of new nonresidential construction continues to decline. Excess capacity in many industrial plants, combined with a near glut of commercial office space in many California cities, appear to be responsible for limiting the October level to \$589 million. This was the lowest month for new nonresidential construction awards since August 1980. Only a modest upturn in commercial and industrial building is expected during 1983.

NONAGRICULTURAL EMPLOYMENT CHANGE BY MAJOR ECONOMIC SECTOR

Sector	Change from July 1981- December 1982		Peak Employment Month	Change From Employment Peak	
	Jobs	%		Jobs	%
Mining	-1,300	-2.6	Jan. 1982	-4,200	-8.1
Construction	-99,800	-22.9	Jan. 1981	-119,700	-26.2
Manufacturing	-139,400	-6.8	July 1981	-139,400	-6.8
TCU	-11,300	-2.0	Jan. 1982	-14,500	-2.6
Trade	-90,300	-3.9	Sept. 1981	-92,500	-3.9
Finance	100	0.0	Mar. 1982	-6,800	-1.0
Services	45,200	2.0	July 1982	-11,200	-0.5
Federal Government	10,700	3.2	Jan. 1981	700	0.2
State/Local Government	-24,000	-1.7	Jan. 1981	-34,800	-2.4

The California CPI registered a 0.4 percent decline from August to October. The October 1982 level was only 2.7 percent ahead of October 1981. During November the Los Angeles CPI declined by 0.3 percent from the preceding month, while the San Diego index fell 1.2 percent compared to September. Although the heavily-weighted homeownership component was responsible for a significant share of the CPI decrease, in this State, the weakness in prices is virtually across-the-board. While such inflation rate declines can be enthusiastically viewed as the elimination of a serious nationwide problem, they are also an indication of the gravity of the current economic situation.

The California index of leading economic indicators rose 0.9 percent in October, the first increase since May. Five of the eight components improved during the month, led by private housing unit authorizations (+14.6%) and stock market prices (+8.4%). Although the rise in the index is encouraging, further monitoring is required; one month does not provide a definite indication of a general upturn.

The Department of Finance has available upon request a revised quarterly personal income series covering the years 1958 to 1968. These data are consistent with the latest annual figures prepared by the U.S. Department of Commerce, Bureau of Economic Analysis. The preceding issue of the Indicators announced the availability of a quarterly series from 1969 through the third quarter of 1982.

The following special section summarizes the economic outlook for the State and the Nation during 1983 and 1984. The forecasts were prepared for the 1983-84 Governor's Budget.

CURRENT CALIFORNIA ECONOMIC DATA

	1982				1981		Percent Change Nov. 1981- Nov. 1982
	Nov.	Oct.	Sept.	Aug.	Nov.	Oct.	
<u>Employment^{a/}</u>							
Civilian employment (000) - - - - -	10,849	10,952	11,027	10,882	10,915	10,828	-0.6
Unemployment (000) - - - - -	1,372	1,319	1,238	1,253	956	959	43.5
Unemployment rate - - - - -	11.2	10.7	10.1	10.3	8.1	8.1	--
<u>Nonagricultural wage and salary employment^{b/} (000)- - - - -</u>							
	9,797.2	9,835.9	9,858.0	9,876.9	10,024.9	10,087.4	-2.3
Mining - - - - -	48.1	48.1	47.7	48.5	50.7	50.5	-5.1
Construction - - - - -	342.0	350.4	358.4	362.6	407.3	417.0	-16.0
Manufacturing - - - - -	1,913.9	1,922.1	1,927.5	1,939.0	2,014.1	2,039.5	-5.0
Aerospace ^{c/} - - - - -	628.2	626.2	628.9	632.8	620.4	635.1	1.3
Transportation and public utilities -	544.2	546.0	545.2	542.5	554.1	556.0	-1.8
Trade - - - - -	2,261.9	2,267.0	2,279.2	2,286.6	2,323.3	2,332.3	-2.6
Finance, insurance, and real estate -	645.6	647.5	651.3	649.8	645.4	648.5	0.0
Services - - - - -	2,300.4	2,300.8	2,301.1	2,310.8	2,269.4	2,279.8	1.4
Government - - - - -	1,741.6	1,754.0	1,747.6	1,737.1	1,760.6	1,763.8	-1.1
Federal - - - - -	327.5	324.5	322.6	321.4	326.0	323.7	0.5
State and local - - - - -	1,413.6	1,429.5	1,425.0	1,415.7	1,434.6	1,440.1	-1.5
<u>Hours and Earnings, Manufacturing</u>							
Average weekly hours - - - - -	39.3	39.1	39.0	39.3	39.7	39.4	-1.0
Average weekly earnings - - - - -	\$367.46	\$366.76	\$366.21	\$367.46	\$354.12	\$347.90	3.8
Average hourly earnings - - - - -	\$9.35	\$9.38	\$9.39	\$9.35	\$8.92	\$8.83	4.8
Index of Leading Indicators - - - - -	n.a.	117.5	116.4	116.4	122.6	122.9	n.a.
<u>Trade</u>							
Retail sales (millions) - - - - -	n.a.	\$10,710 ^p	\$10,550	\$10,585	\$10,393	\$10,711	n.a.
New auto registrations (number) - - - -	n.a.	67,562	63,762	63,618	59,761	72,453	n.a.
<u>Business</u>							
Business failures (number) - - - - -	n.a.	n.a.	n.a.	n.a.	238	289	n.a.
Business liabilities (000) - - - - -	n.a.	n.a.	n.a.	n.a.	\$86,355	\$66,917	n.a.
New incorporations (number) - - - - -	4,415	3,923	4,384	4,103	4,553	4,745	-3.0
<u>Consumer Price Index, all items^{d/}</u>							
California average (1967=100) - - - - -	--	296.4	--	297.5	--	288.6	--
San Francisco (1967=100) - - - - -	--	302.4	--	304.3	--	297.0	--
Los Angeles (1967=100) - - - - -	288.5	289.5	288.2	289.1	281.8	281.3	2.4
San Diego (1967=100) - - - - -	321.7	--	325.6	--	321.3	--	0.1
<u>Production</u>							
Petroleum (000 barrels daily) - - - - -	n.a.	1,114.7	1,115.4	1,006.9	1,089.6	1,079.0	n.a.
Portland cement (000 short tons)- - - -	n.a.	571.8	578.7	622.7	565.3	700.2	n.a.
Raw steel (000 net tons) - - - - -	26.3	68.9	84.6	103.8	186.6	237.5	-85.9
Selected redwood mill shipments (mil. FBM)	52.7	78.3	90.5	91.8	63.8	80.4	-17.4
<u>Construction</u>							
Private residential housing units authorized (number) - - - - -	6,244	8,211	6,533	5,650	4,182	6,558	49.3
Nonresidential building authorized, valuation (millions)- - - - -	\$524.2	\$655.3	\$693.5	\$626.3	\$514.9	\$714.2	1.8

^{a/}Adjusted for seasonal variation.^{b/}Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.^{c/}The Interim Series does not give a breakdown for aerospace employment. These values are from the EOD official employment series, and are not seasonally adjusted.^{d/}All urban series.

P Preliminary estimate.

n.a. Not available

The Nation

The economic outlook continues to remain uncertain. During the final quarter of 1982, when this forecast was being prepared, few positive aspects could be discerned.

Declining interest rates provided a stimulus for the housing market, and sales of 1982 model year cars. Other consumer sectors and business investment, however, remained weak. Rising unemployment and only slow income growth were contributing to the consumer's reluctance to take on major purchases.

Investment decisions were being put off, with nearly one-third of the Nation's industrial capacity idle, rising vacancy rates in office and commercial projects, and the widespread belief that 1983 would see a moderate recovery at best.

The unsettled fiscal scene, with the Federal budget deficit rising steadily and the threat of a credit crunch caused by heavy Treasury borrowings, added to the generally pessimistic mood.

Most forecasts were lowered dramatically during November and December, reflecting downward revisions in key data and the absence of a strong sales performance around the critical holiday period.

Real gross national product is now expected to be up 2.2 percent for 1983--a moderate recovery by historical standards. The recession will have run for six quarters from July 1981 to January 1983, making it the longest of the postwar period.

Recovery will be led by the consumer. Confidence will be restored gradually by a number of factors:

- declining interest rates
- peaking of the jobless rate
- the low level of personal debt in relation to income
- moderate inflation trends

Interest rates will play the critical role. There are continuing concerns about the effect of heavy Treasury borrowings to cover the anticipated \$175 billion to \$200 billion Federal deficit. If the demand for funds from the private sector rises sharply during the next several months, the combined Treasury-private credit demand could lead to a resurgence in interest rates. Such a development would effectively stifle even a modest movement toward recovery.

If private credit demands continue restrained, as they have for the past several months, Treasury needs can be accommodated. Further easing in interest rates would then be possible. This is the basic assumption of the economic forecast given here.

The Federal Reserve Board (Fed) is no longer following a strict policy of controlling the money supply. The various types of money market accounts now available have distorted monetary figures, forcing a shift to consideration of interest rates as well.

The importance of lower interest rates was evident in the auto sector late last year. The introduction of lending rates between 9.9 and 10.9 percent led to a strong rebound in sales. Housing starts also surged when mortgage rates were lowered significantly.

The consumer credit situation has improved dramatically over the past year. Outstanding credit reached a peak of 15.2 percent of income in December 1979. Since then, it has fallen to 12.8 percent. Two factors contributed to this development: the credit controls imposed early in 1980; and the restrained level of spending, particularly for big-ticket items, during the latest recession. A major expansion of spending is possible once the recovery gets underway.

The Federal tax cut is a positive factor in the outlook for 1983. The mid-1982 cut was not fully felt by individuals, due to the way in which withholding tables were adjusted. Many persons who did not get the full 10 percent cut last year will receive the balance through lower final payments or higher refunds this spring. They will also benefit from the final installment of the tax reduction effective July 1, 1983. This should reinforce recovery during the current year.

The auto industry, in particular, will benefit from the credit situation and lower interest rates. The forecast indicates a steady gain in new car sales, with momentum building from the second quarter. Overall, 8.6 million units (domestic and imports) are expected for 1983, with 1984 leveling out at slightly more than 10 million units.

Employment growth will be slow. Employers will rehire or expand only gradually until it is evident that a sustained expansion is underway. For this reason, unemployment rates will remain high, with no substantial decline until 1984. Increased productivity, however, will strengthen corporate profits.

Perhaps the best aspect of the outlook relates to inflation. Price increases have been reduced dramatically as a result of the slow pace of activity. Falling mortgage rates and easing home prices are having a major impact on the consumer price index. It is now estimated that the U.S. CPI will be up 5.5 percent this year, compared with a 6.3 percent rise in 1982 and a 10.4 percent increase for 1981.

The investment sector still faces problems. The low rate of plant utilization is a major deterrent to expansion and modernization plans. Another factor is the high vacancy rate for commercial and office space in many areas. This will effectively dampen new nonresidential construction.

Housing investment will be up, in contrast, with lower mortgage rates spurring both resales and new construction. The 1983 forecast is for 1.34 million housing starts, nearly a one-third gain from the 1982 level. This will be a moderate increase considering the backlogged demand which exists. Housing activity will not return to a more normal pace until the end of 1984.

Income gains will be modest, given the slow growth in employment. Corporate profits, on the other hand, should rebound sharply as business improves. A 10.7 percent rise on a year-over-year basis is forecast. By the fourth quarter, however, profits are expected to be up 17-1/2 percent from the final quarter last year.

The California Outlook

The California economy is expected to improve slowly beginning in early 1983. A return to more substantial rates of growth is not forecast until 1984. Relative to the rest of the country, California is expected to pull out of the current recession with slightly more strength. It should be emphasized, however, that neither the national or State recoveries will match the strength of historical rebounds.

Nonagricultural employment in California is forecast up 0.7 percent in 1983 and 3.3 percent in 1984. These rates can be contrasted to the four to seven percent growth levels in the years following the 1974-75 recession. Between 1982 and 1984 about 400,000 new jobs will be created. Employers are expected to add new workers slowly until they are certain that increases in consumer demand will be sustained.

The goods-producing sectors--mining, construction and manufacturing--are likely to show only moderate improvement this year, before surging in 1984. A significant amount of unused capacity exists in the manufacturing sector, and output increases in the short-term can be expected to occur without substantial rehiring.

Prior to the current recession, the aerospace industry was a major source of new jobs. In the next two years, growth in this industry will be slower than in previous years. Sales of commercial aircraft will remain sluggish throughout the year, and spending on consumer products is likely to be restrained. The surge in Federal defense spending will have a delayed impact on job creation.

Moderate growth in most service-related sectors is expected to offset some of the weakness in the producing sectors. The notable exception is government employment. The total for Federal, State and local jobs is forecast lower for 1983.

The number of unemployed persons will peak in the first part of the year, and drop gradually in succeeding months. Improving conditions will attract new job seekers at a time when businesses will still be hiring slowly. The unemployment rate for all of this year will average slightly above 10 percent. By the end of 1983, the jobless rate will still be high, at more than 9 percent. As the economic recovery gathers strength in 1984, unemployment will decline steadily and is expected to average about 8.5 percent of the labor force.

The outlook for housing is moderately better. New construction is expected to increase slowly despite declining interest rates, rising buyer income, and increased employment. The major constraints include high home prices, the large down payments required, and mortgage rates. In 1983, 125,000 new housing unit authorizations are forecast. By 1984 an improvement to 150,000 units is expected. These increases will be significantly below the number needed, and can be contrasted to the roughly 200,000 new units built annually between 1965 and 1980. Pent-up demand in California will result in a greater rebound than in the rest of the country.

The 8.7 percent growth in California personal income during 1983 will be substantially lower than in any year since

1971 (excluding the sharp slowdown in 1982). Wages and salaries, which comprise about 60 percent of total income, will rise 8.0 percent. A 6-1/2 to 7 percent rise in the average wage is expected to account for most of the wage and salary gain. Much of the growth in income will come from interest (+10.9%), other labor income (+10.8%), and nonfarm proprietors' income (+10.3%).

The outlook for inflation is good. The California Consumer Price Index (CPI) increased by 6.9 percent in 1982. Some erosion in home prices and reductions in mortgage interest rates--both of which have an inordinate impact on the California price indexes--are expected to limit the California CPI increase to only 4.3 percent in 1983.

The forecast of the CPI is based on the previous U.S. Bureau of Labor Statistics (BLS) methodology for measuring homeownership costs. Beginning in January 1983, the homeownership cost measure changed. Instead of being based upon a survey of current home prices, mortgage interest rates, and home maintenance supplies and services prices, the CPI is now being calculated on a rental equivalence basis. The rental equivalence method measures the price of rental housing that is equivalent to owner occupied housing. The effect of this change in methodology cannot yet be quantified. It is likely, however, that the change will cause the CPI to rise slightly faster during 1983 than was forecast using the old BLS method. (CPI data will be available on both the old and new bases through June of this year.)

STANDARD BUDGET FORECAST, SELECTED ECONOMIC DATA, 1981-84
(Dollar amount in billions)

United States	1981 (Actual)	1982 (Estimated)	1983		1984	
			Amount	Percent Change	Amount	Percent Change
Real gross national product (1972 \$)	\$1,502.6	\$1,475.9	\$1,508.0	2.2	\$1,574.0	4.4
Personal consumption expenditures	947.6	956.1	983.4	2.9	1,027.7	4.5
Durables	140.0	137.5	142.3	3.5	150.7	5.9
Nondurables	362.4	364.9	372.8	2.2	385.5	3.4
Services	445.2	453.8	468.3	3.2	491.5	4.9
Gross private domestic investment	225.8	200.5	208.3	3.9	232.4	11.6
Structures	51.6	52.7	50.4	-4.3	51.6	2.4
Producers' durables	120.4	111.9	108.4	-3.1	121.2	11.8
Residential	44.9	40.4	46.6	15.3	53.8	15.4
Inventory change	9.0	-4.5	2.9	--	5.9	--
Net exports	42.0	30.6	24.5	--	22.3	--
Government purchases of goods and services	287.1	288.7	291.8	1.1	291.6	-0.1
Federal	110.4	113.8	116.3	2.2	119.2	2.5
State and local	176.7	174.9	175.5	0.3	172.4	-1.8
GNP deflator (1972=100)	195.5	207.3	218.0	5.2	230.2	5.6
GNP (current \$)	\$2,937.7	\$3,060.1	\$3,288.4	7.5	\$3,623.9	10.2
Personal income	\$2,415.8	\$2,572.2	\$2,763.2	7.4	\$3,030.1	9.7
Corporate profits before taxes	\$232.1	\$176.9	\$195.8	10.7	\$229.0	17.0
Wage and salary employment (thous.)	91,105	89,686	89,863	0.2	92,569	3.0
Unemployment rate (%)	7.6	9.6	10.0	--	8.7	--
Housing starts (thous.)	1,084	1,041	1,340	28.7	1,625	21.3
New car sales (mill.)	8.5	7.8	8.6	10.9	10.2	18.2
Consumer price index (1967 = 100)	272.4	289.5	305.4	5.5	323.8	6.0
<u>California Data</u>						
Wage and salary employment (thous.)	10,038	9,901	9,974	0.7	10,300	3.3
Mining	49	49	50	1.6	52	4.6
Construction	432	372	374	0.5	427	14.2
Manufacturing	2,028	1,955	1,977	1.1	2,066	4.5
Transportation-utilities	554	550	556	1.0	571	2.8
Trade	2,317	2,294	2,292	0.4	2,348	2.5
Finance-insurance-real estate	646	650	656	0.9	684	4.3
Services	2,249	2,295	2,338	1.8	2,418	3.4
Government	1,763	1,745	1,732	-0.7	1,733	0.1
Civilian labor force (thous.)	11,780	12,144	12,377	1.9	12,653	2.2
Civilian employment	10,908	10,940	11,110	1.5	11,579	4.2
Unemployment	872	1,204	1,267	5.2	1,074	-15.2
Unemployment rate (%)	7.4	9.9	10.2	--	8.5	--
Personal income	\$288.5	\$311.0	\$337.6	8.5	\$370.3	9.7
Wages and salaries	180.0	191.7	206.1	7.5	226.4	9.8
Other labor income	16.1	17.3	19.2	10.8	21.8	13.8
Proprietors' income	13.9	13.8	15.1	8.7	16.7	11.0
Property income	53.1	59.3	65.2	10.0	72.9	11.7
Transfer payments	38.3	42.5	46.8	10.1	49.3	5.3
Less: Contributions for social insurance	12.9	13.8	14.9	8.0	16.9	13.0
Housing units authorized (thous.)	105	79	125	58.8	150	20.0
Corporate profits before taxes	\$24.4	\$23.5	\$25.4	8.1	\$29.2	15.0
New auto registrations (thous.)	920	840	930	10.7	1090	17.2
Total taxable sales	\$155.1	\$154.4	\$168.1	8.9	\$191.0	13.6

Note: Percentage changes calculated from unrounded data

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

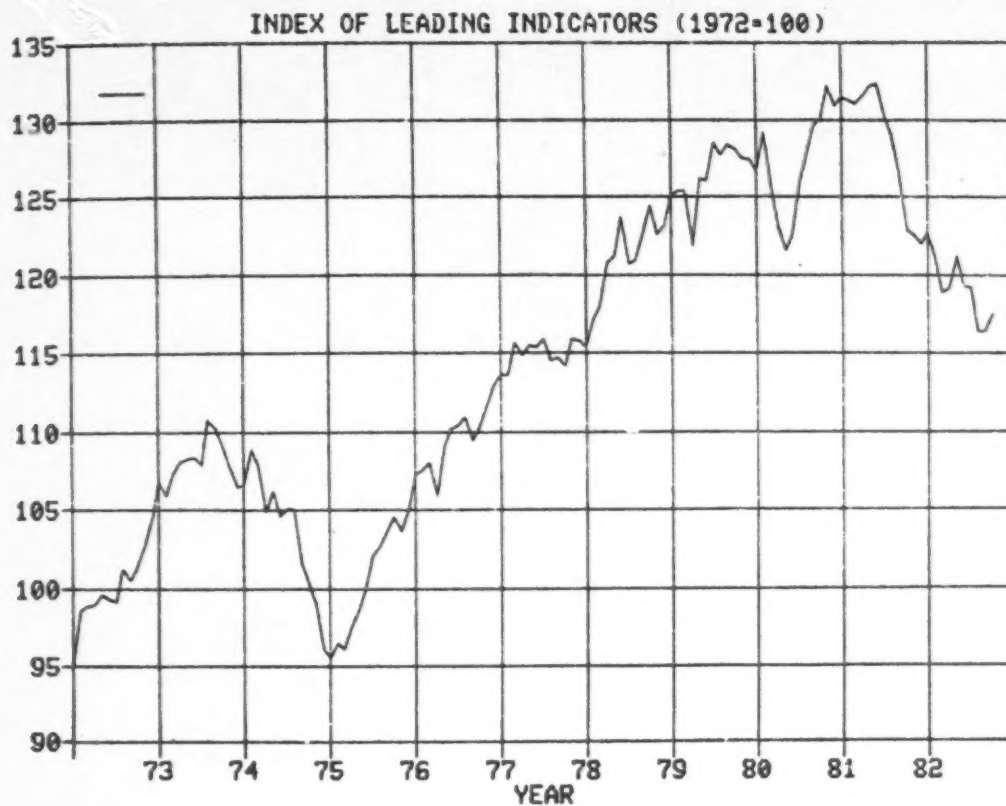
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

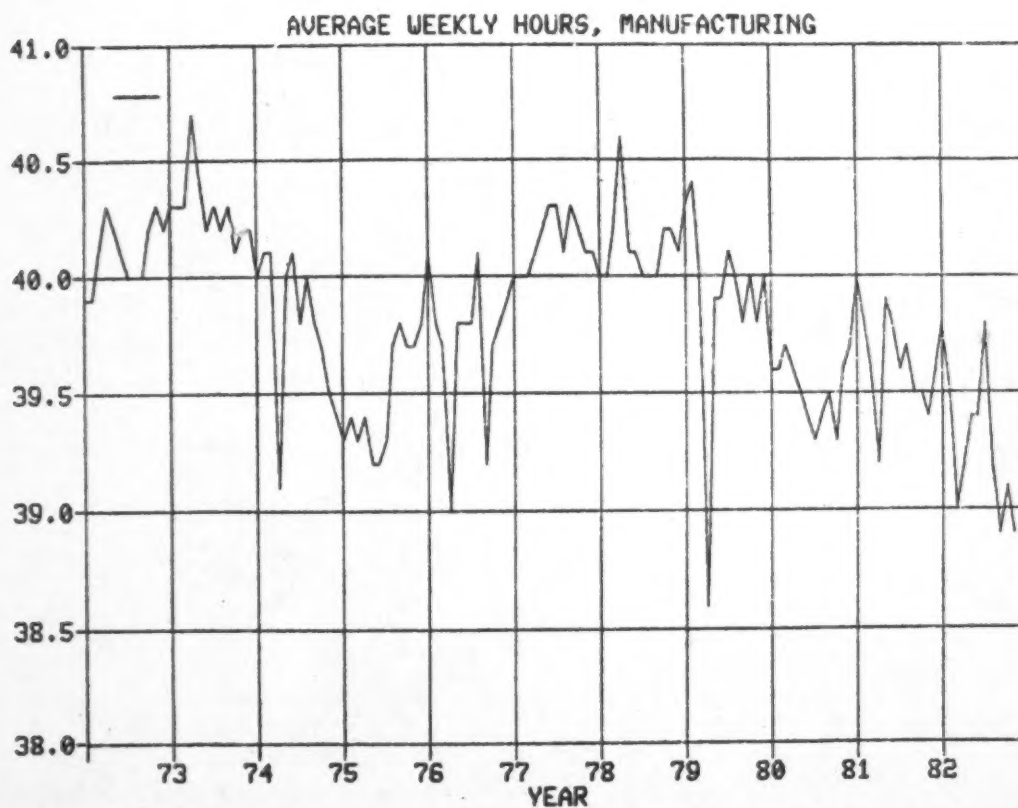
Standard Abbreviations

n.a. Not available	p Preliminary
e Estimate	r Revised

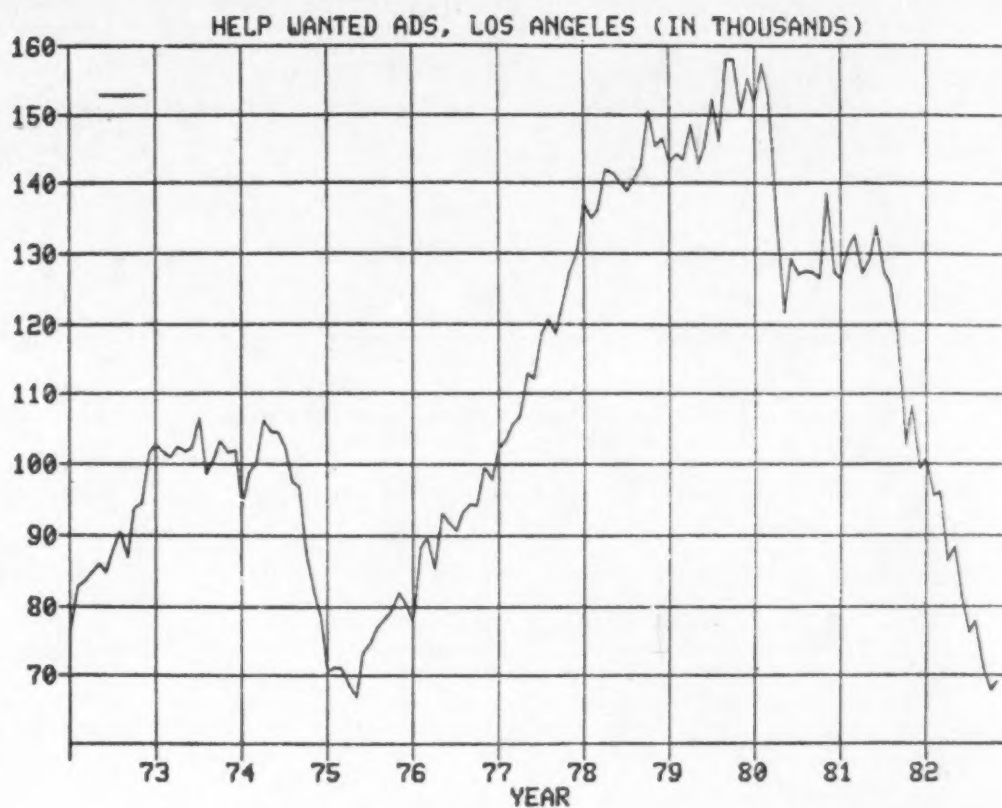
INDEX



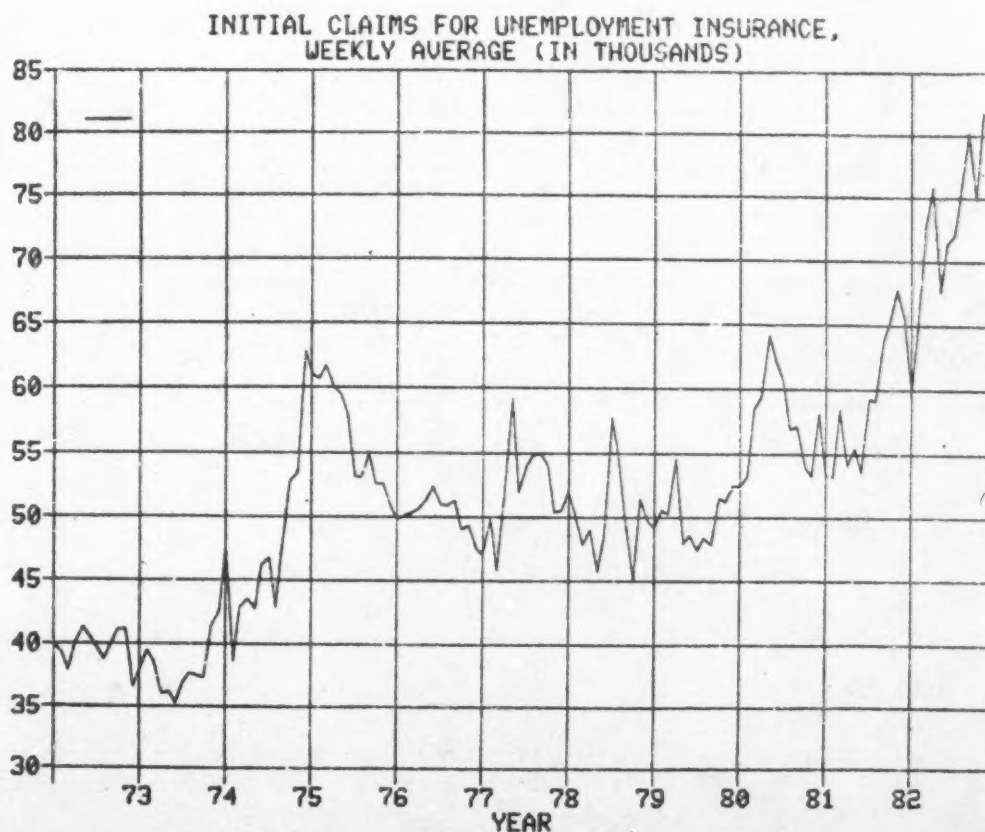
HOURS

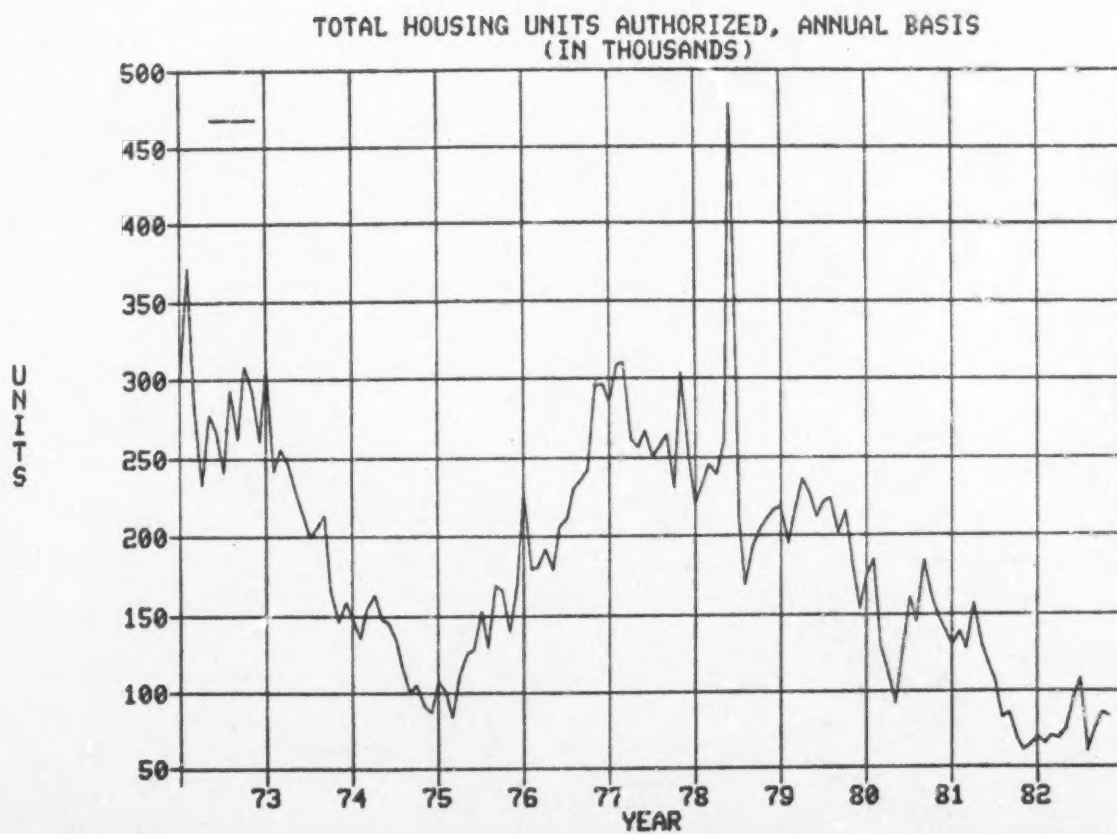
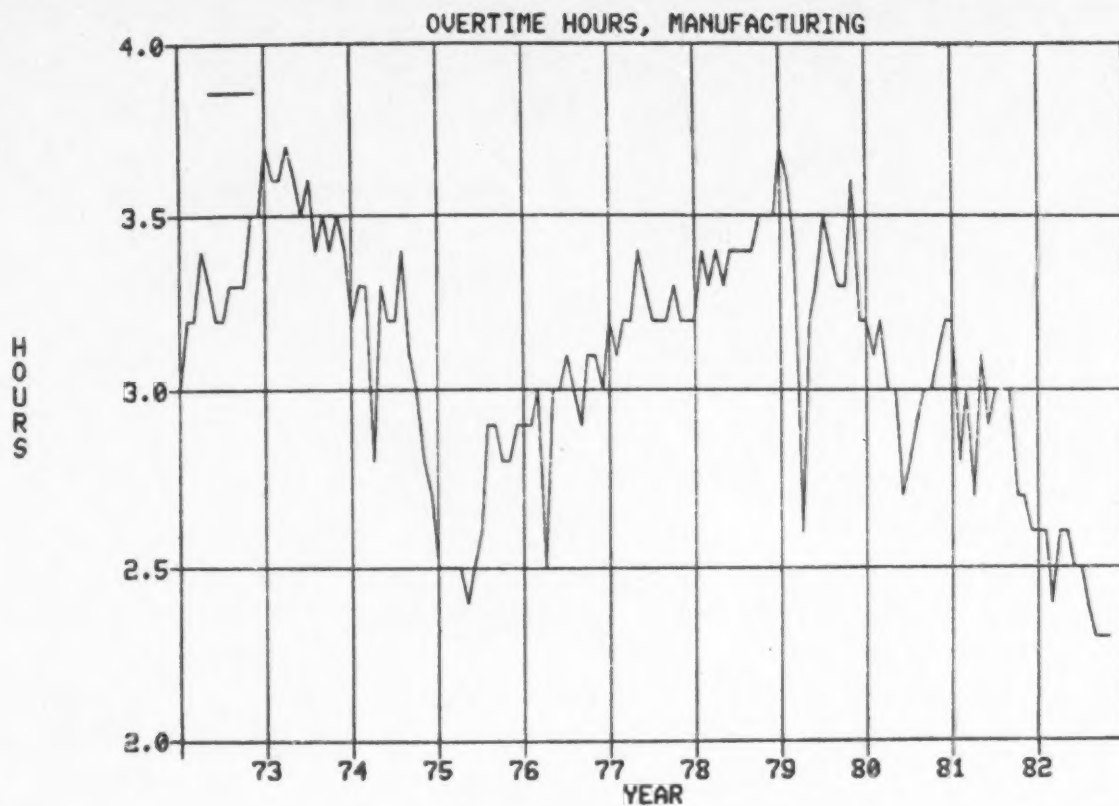


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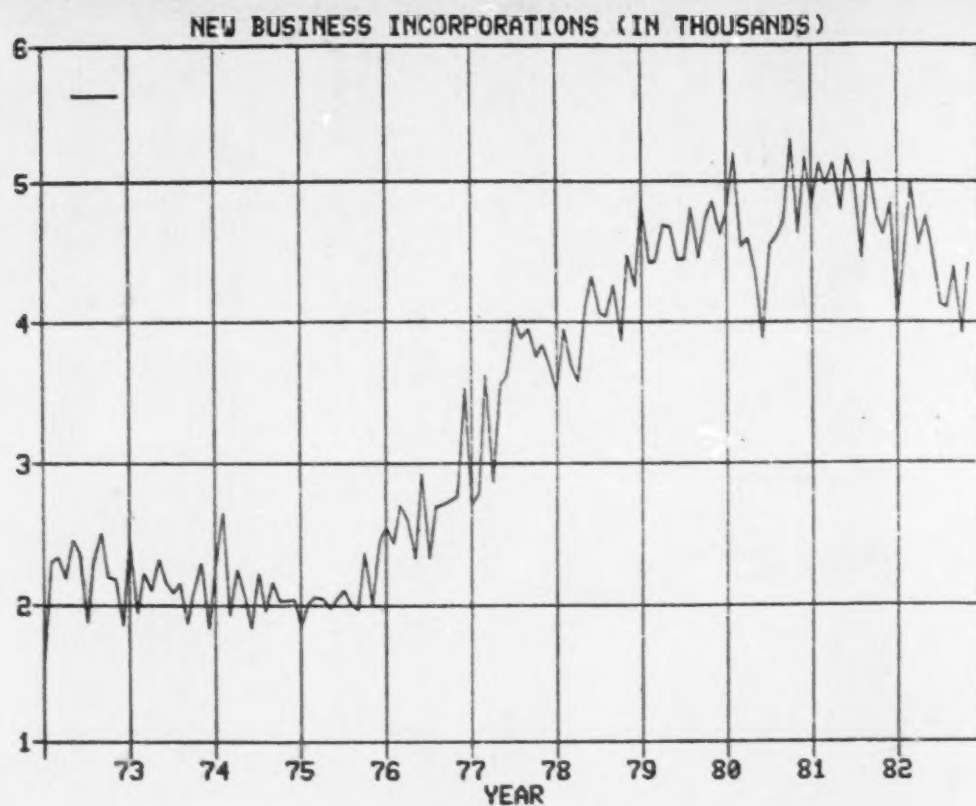


CLAIMS

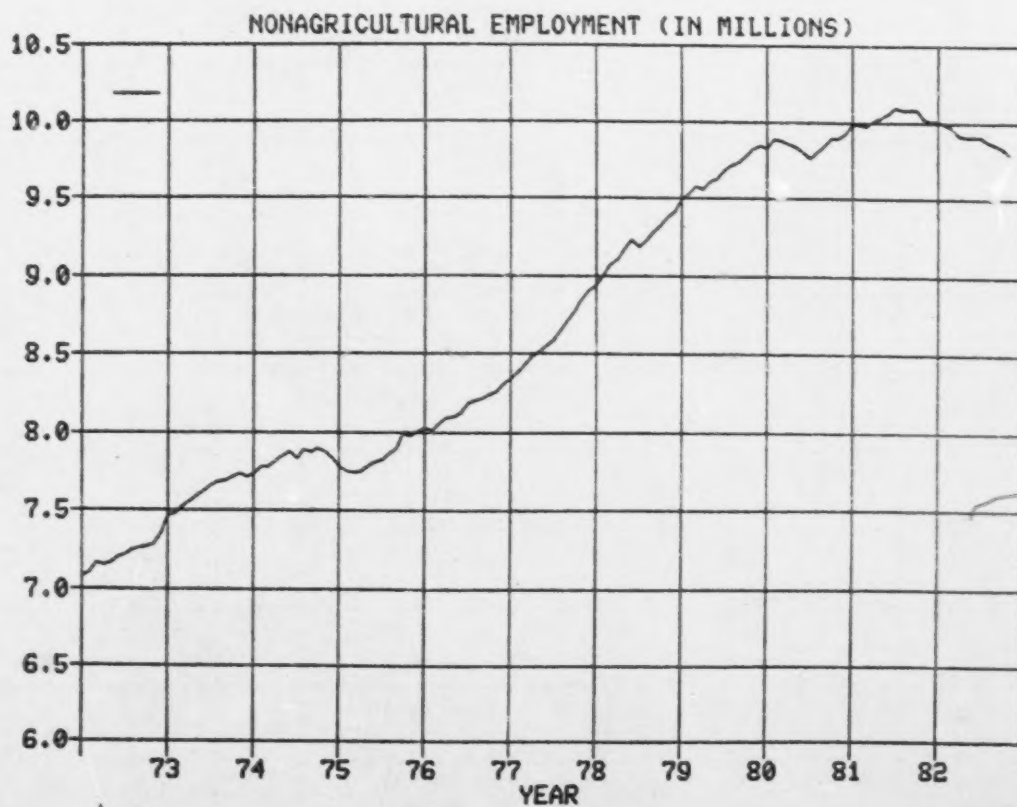


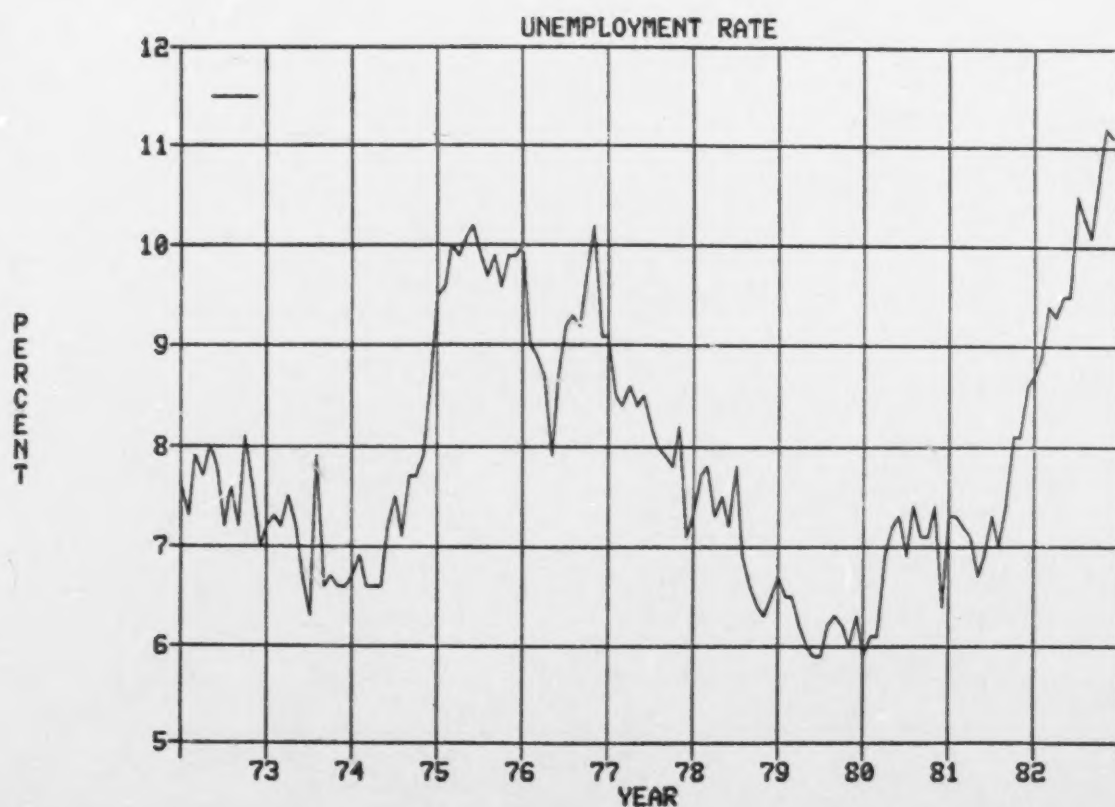
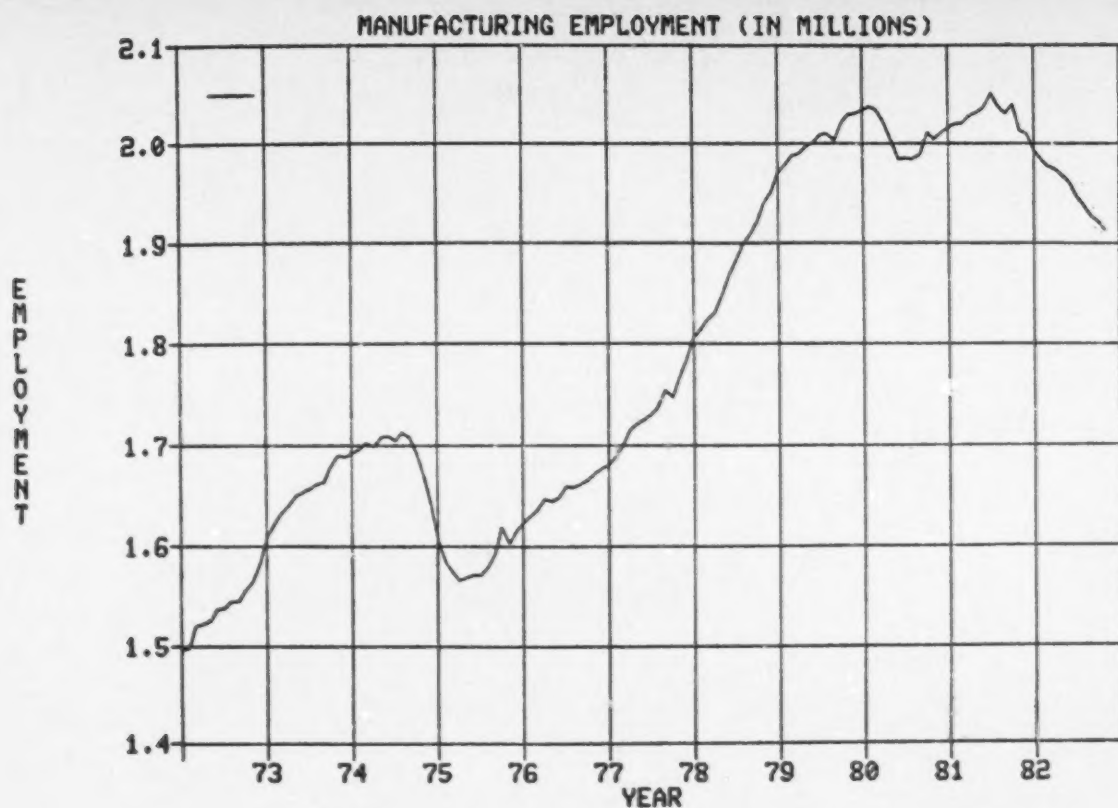


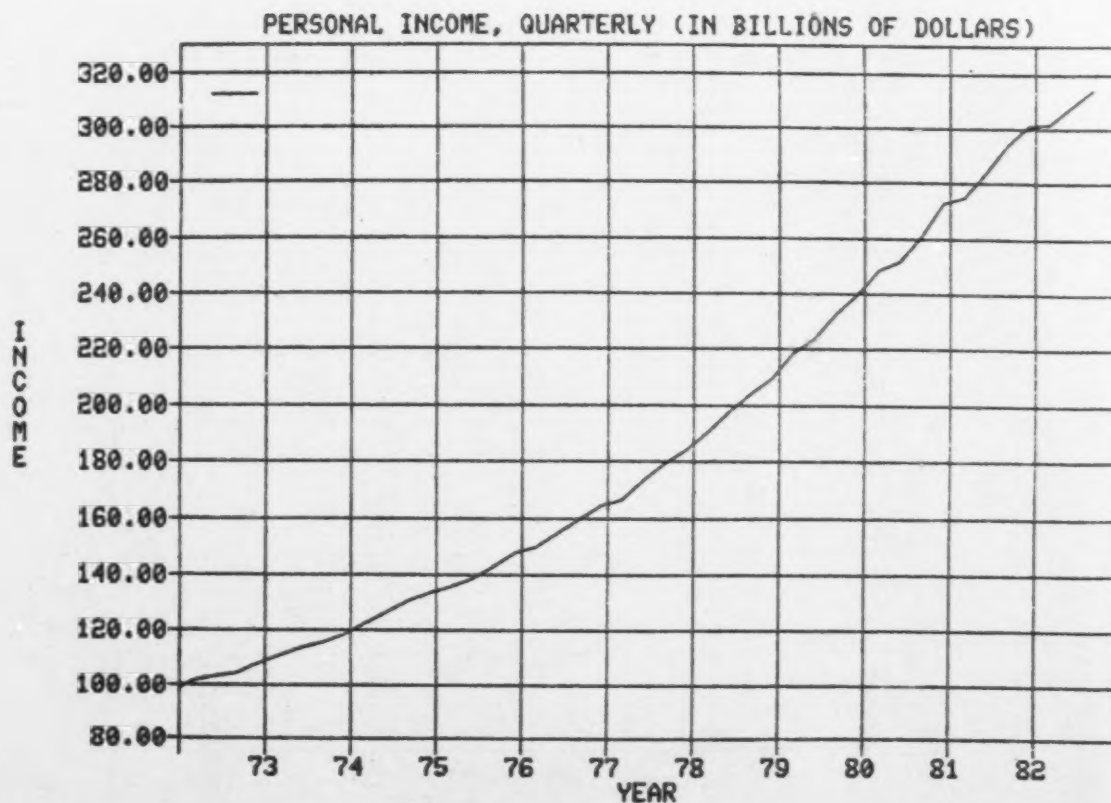
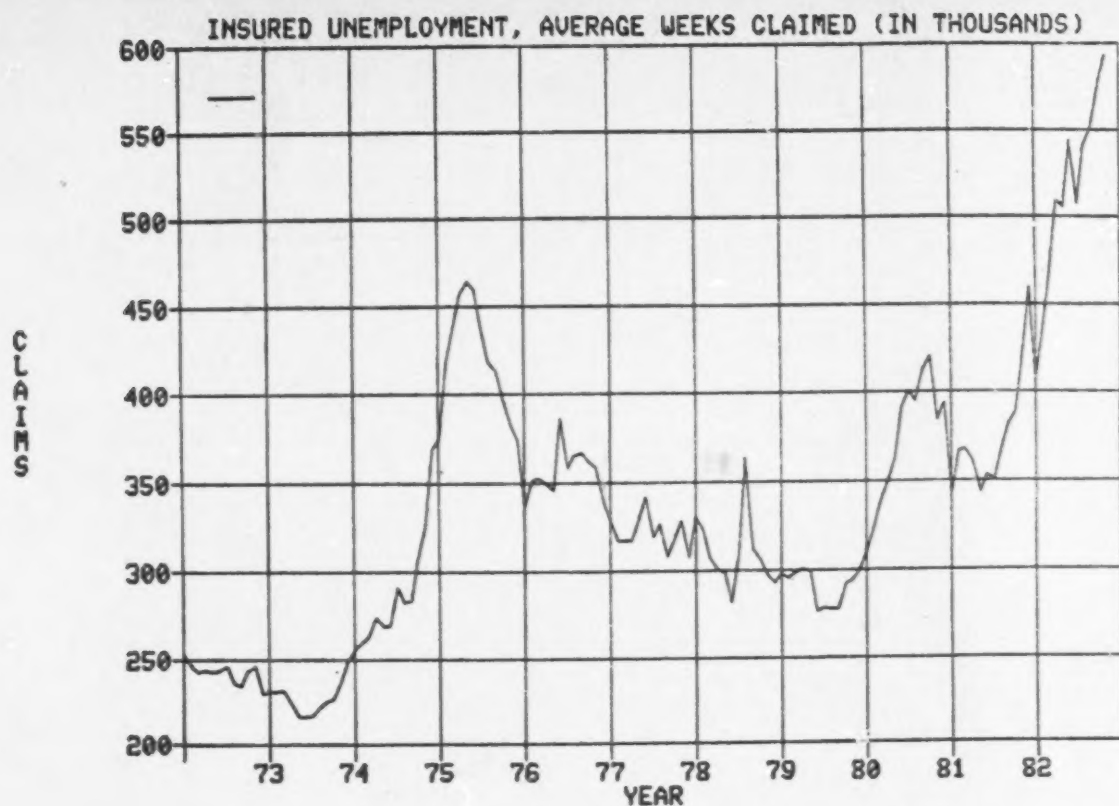
INCORPORATIONS



EMPLOYMENT





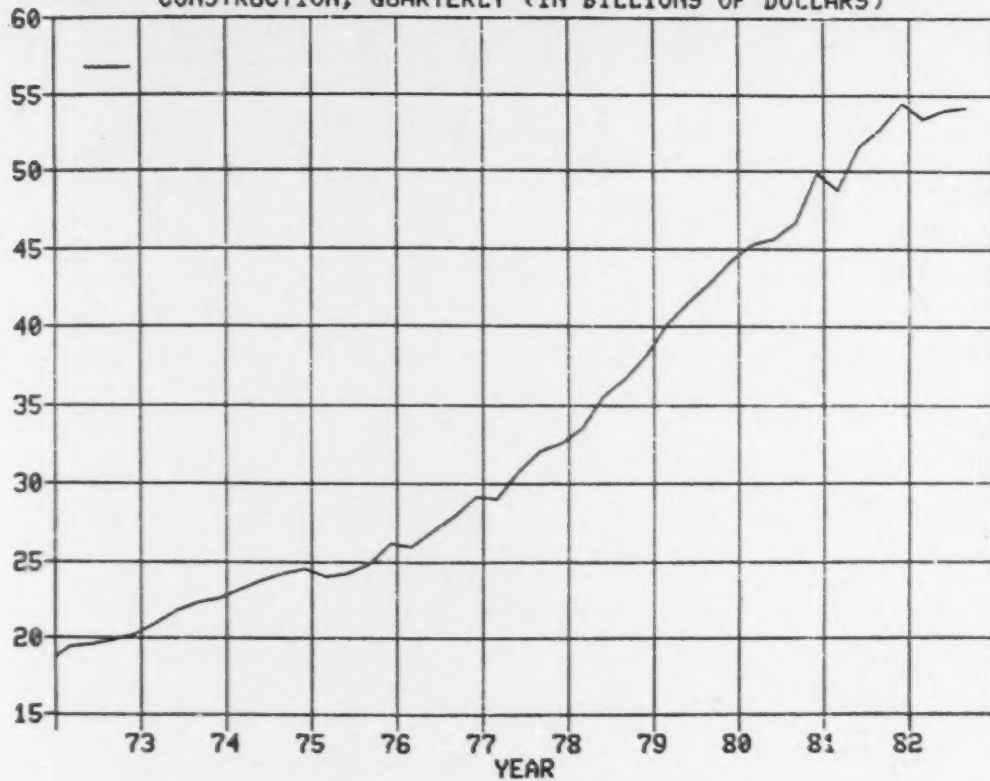


WAGES AND SALARIES FROM MINING, MANUFACTURING, AND
CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)

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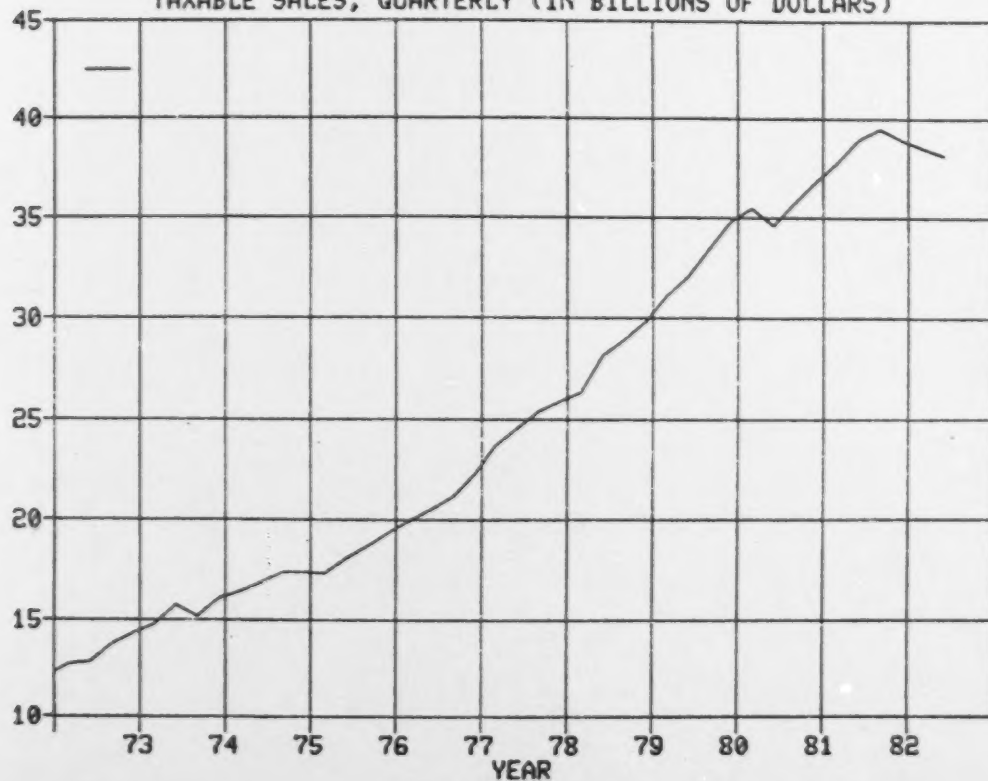
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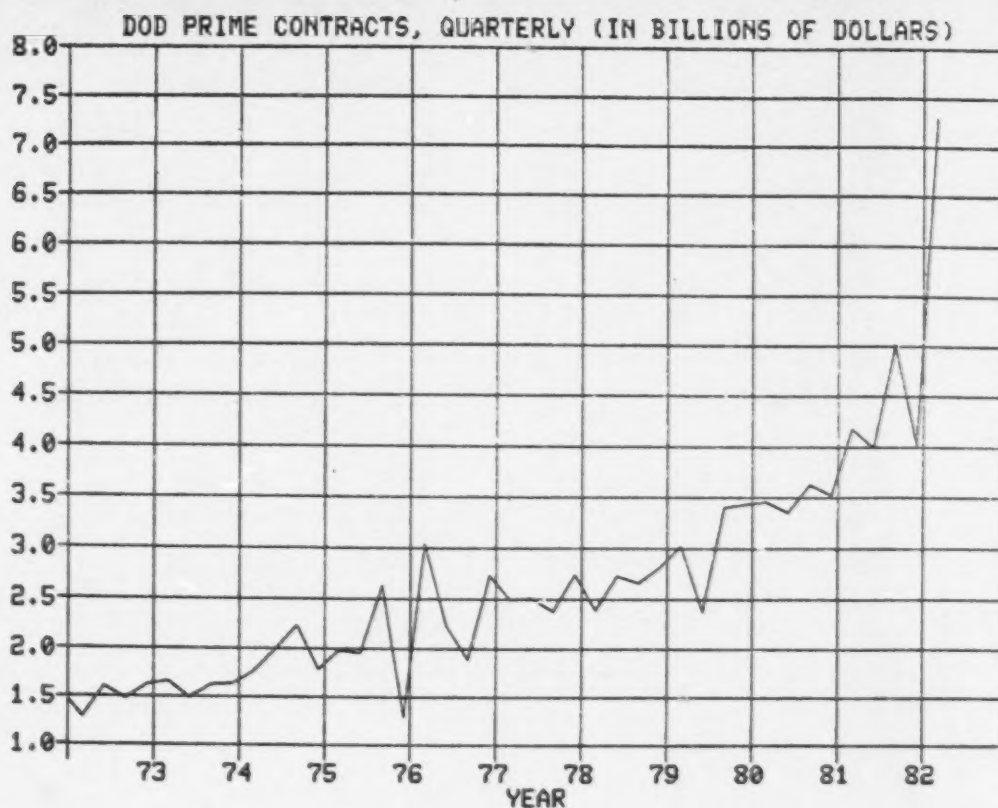


TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)

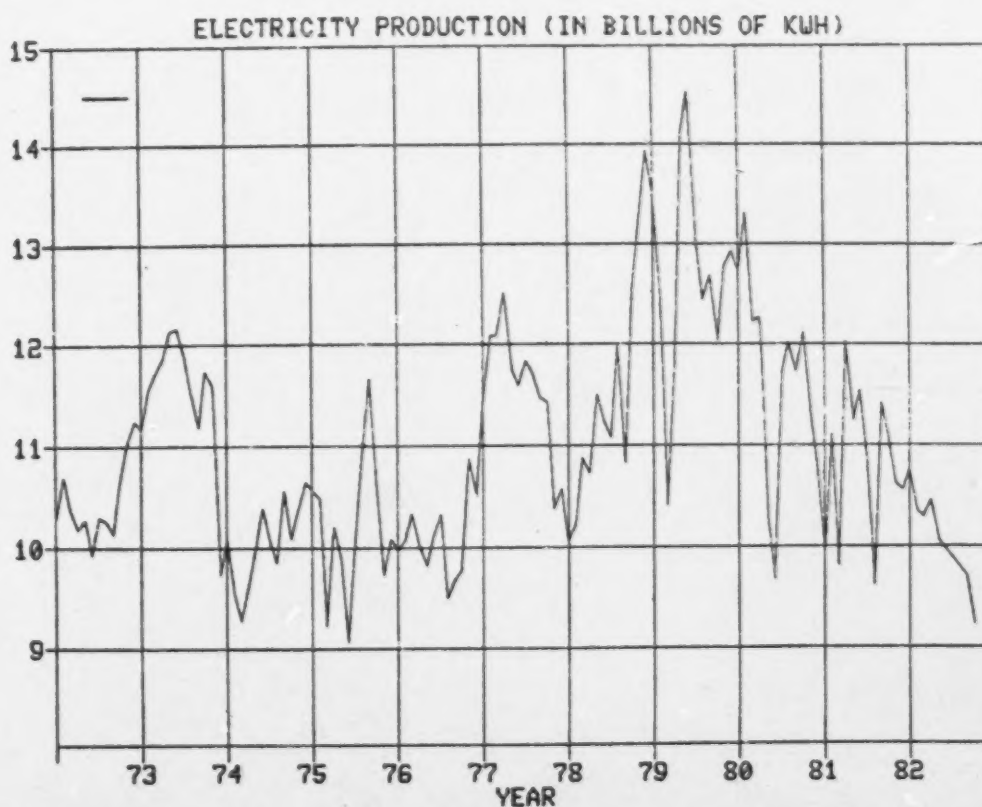
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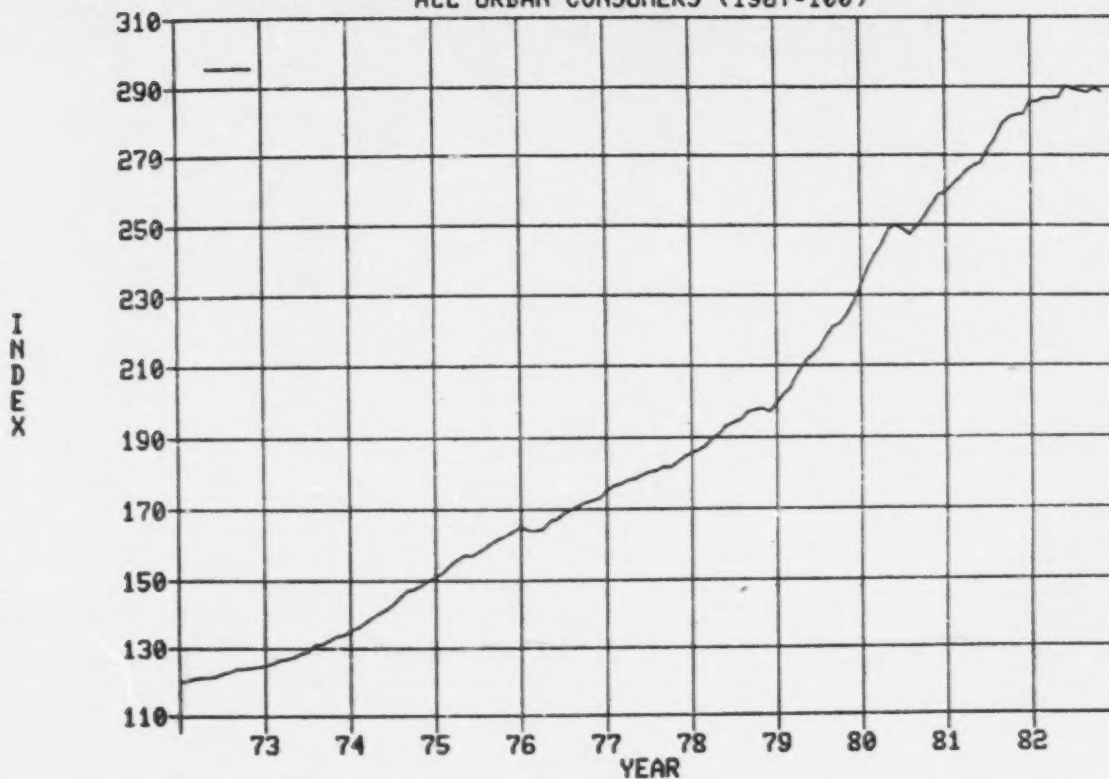
CONTRACTS



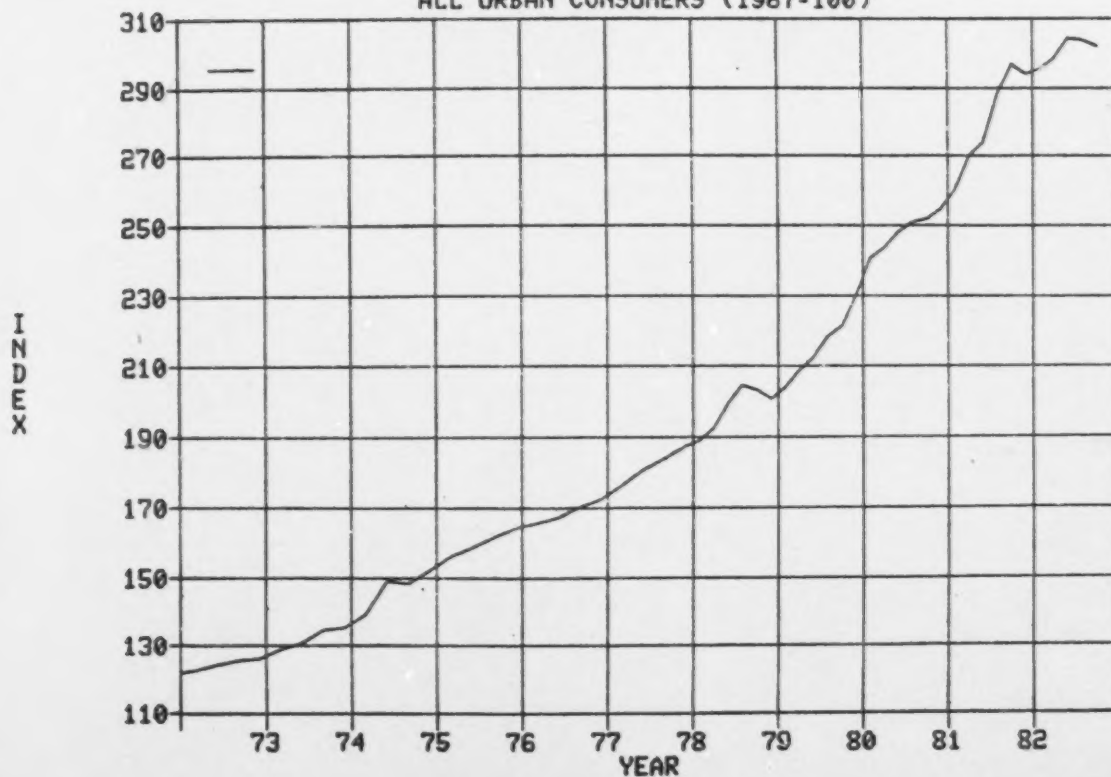
PRODUCTION



CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



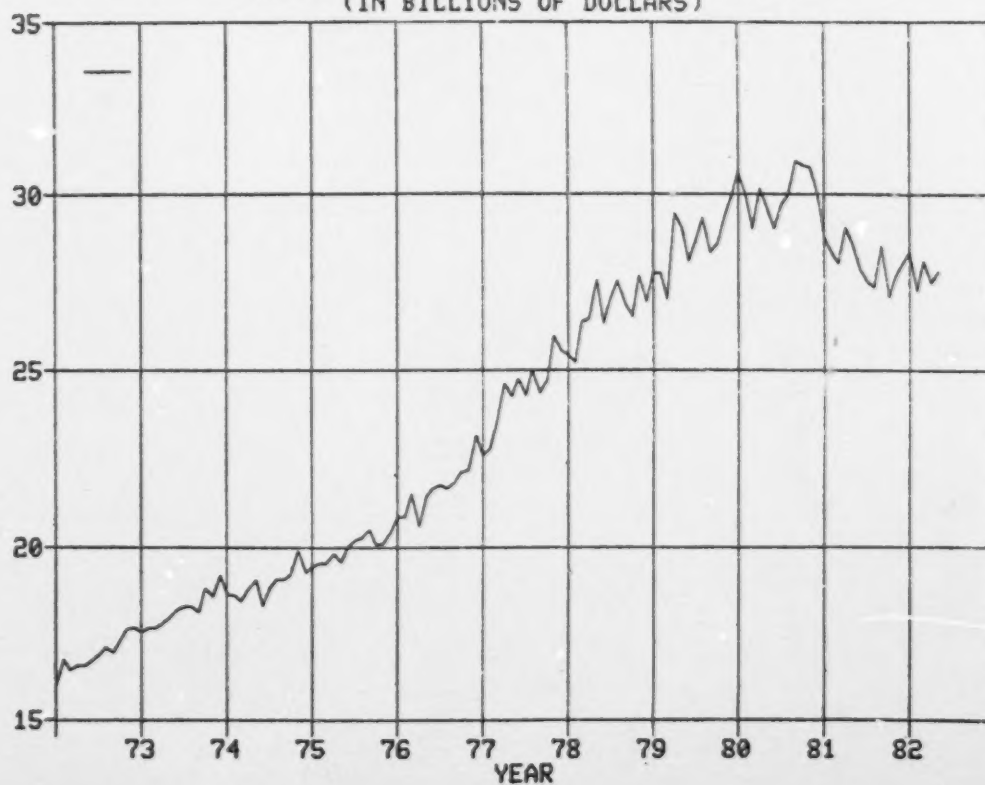
CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)

LOANS



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)

DEPOSITS



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Index of Leading Indicators ^{r/} (1972=100)	Average Weekly Hours, Manufac- turing	Leading Indicators		Overtime Hours Manufac- turing	Total Housing Units Authorized (thousands)	New Business Incorpora- tions
			Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)			
1979							
January	125.1	40.2	142.9	49.3	3.6	218.1	4,852
February	125.4	40.4	144.2	50.6	3.6	195.3	4,288
March	125.4	40.0	143.5	50.2	3.4	214.9	4,414
April	121.9	38.7	148.5	54.4	2.7	236.2	4,689
May	126.2	39.9	142.9	47.5	3.3	226.4	4,760
June	126.0	39.9	145.4	48.7	3.3	211.9	4,310
July	128.5	40.2	152.3	47.1	3.5	221.3	4,508
August	127.7	40.0	146.3	48.5	3.4	223.9	4,902
September	128.4	39.9	158.0	47.7	3.3	201.9	4,422
October	128.1	40.0	158.0	51.2	3.3	215.5	4,790
November	127.5	39.8	150.2	50.9	3.5	184.5	4,890
December	127.4	40.0	155.3	53.3	3.2	153.7	4,547
1980							
January	126.7	39.6	151.7	56.4	3.1	173.8	4,778
February	129.2	39.6	157.4	54.9	3.1	184.6	5,206
March	126.0	39.7	152.7	58.5	3.1	130.1	4,534
April	123.1	39.6	135.0	59.0	3.0	112.4	4,592
May	121.5	39.5	121.7	61.0	3.0	92.4	4,326
June	122.5	39.4	129.4	61.9	2.7	124.4	3,882
July	125.9	39.4	127.1	60.0	2.8	161.1	4,439
August	127.6	39.4	127.6	58.2	2.9	145.5	4,596
September	129.6	39.6	127.4	57.9	3.0	184.1	4,710
October	130.1	39.3	126.7	54.9	3.0	161.5	5,312
November	132.2	39.6	138.6	54.4	3.1	149.4	4,631
December	130.9	39.6	127.4	59.1	3.2	138.7	5,181
1981							
January	131.5	39.8	126.7	52.7	3.1	129.9	4,826
February	131.3	39.8	130.8	53.4	2.8	138.9	5,130
March	131.1	39.5	132.6	58.0	3.0	128.3	4,976
April	131.6	39.6	127.2	53.8	2.8	156.8	5,145
May	132.2	39.9	129.4	54.9	3.1	131.3	4,801
June	132.4	39.8	133.9	53.6	3.0	118.9	5,194
July	130.2	39.6	127.4	58.8	3.0	105.8	5,011
August	129.0	39.7	125.9	59.6	3.0	82.5	4,450
September	126.5	39.5	118.2	63.6	3.0	85.6	5,139
October	122.9	39.5	102.8	65.2	2.7	69.1	4,753
November	122.6	39.4	108.4	67.2	2.7	61.1	4,619
December	122.0	39.6	99.3	66.8	2.6	64.2	4,845
1982							
January	122.7	39.8	100.8	59.7	2.6	69.4	4,018
February	121.1	39.5	95.5	65.5	2.6	65.1	4,529
March	118.9	39.0	96.1	72.6	2.4	70.7	4,997
April	119.2	39.2	86.4	75.8	2.6	69.0	4,550
May	121.2	39.4	88.4	67.7	2.6	75.1	4,754
June	119.3	39.4	81.8	71.4	2.5	94.3	4,502
July	119.2	39.8	76.2	72.1	2.5	108.4	4,127
August	116.4	39.2	77.8	75.6	2.4	59.8	4,103
September	116.4	38.9	71.2	80.3	2.3	74.7	4,348
October	117.5	39.1	67.8	74.9	2.3	85.6	3,923
November		38.9	69.0	81.8	2.3	83.5	4,415

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators						Other Indicators
	Nonagri- cultural Employment (thousands)	Wages and Salaries in Mining, Manu- facturing and Construction (mil dol.)	Unemploy- ment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.) ^{a/}	Taxable Sales (mil dol.) ^{b/}	Manufac- turing Employment (thousands)
<u>1979</u>							
January	9,483.0		6.5	298			1,967.7
February	9,509.8	40,185	6.4	296	218,672	31,107	1,974.7
March	9,554.3		6.4	299			1,986.9
April	9,549.3		6.1	301			1,986.6
May	9,601.8	41,540	6.1	299	224,028	32,069	1,996.3
June	9,639.5		6.0	276			2,004.2
July	9,685.3		6.0	278			2,011.2
August	9,725.6	42,778	6.4	278	232,650	33,468	2,015.0
September	9,758.1		6.5	278			2,010.7
October	9,780.5		6.2	292			2,019.0
November	9,822.1	44,261	6.0	294	240,180	34,832	2,028.1
December	9,826.5		6.1	300			2,029.2
<u>1980</u>							
January	9,830.5		5.9	310			2,026.1
February	9,888.3	45,261	6.1	323	248,487	35,459	2,033.6
March	9,878.5		6.1	337			2,030.3
April	9,859.3		6.9	349			2,016.9
May	9,839.8	45,632	7.2	363	251,650	34,634	2,005.6
June	9,811.1		7.3	396			1,993.2
July	9,766.8		6.9	401			1,987.3
August	9,802.0	46,669	7.4	395	261,197	35,736	1,987.4
September	9,841.1		7.1	412			1,995.3
October	9,895.3		7.1	420			2,007.8
November	9,897.1	49,837	7.4	384	272,878	36,855	2,004.4
December	9,925.3		6.4	394			2,008.5
<u>1981</u>							
January	9,993.0		7.3	340			2,016.3
February	9,985.8	48,760	7.3	367	274,969	37,732	2,020.2
March	9,978.1		7.2	368			2,020.3
April	10,013.3		7.1	360			2,028.3
May	10,033.3	51,610	6.7	343	283,748	38,914	2,031.6
June	10,055.8		6.9	353			2,036.4
July	10,097.1		7.3	350			2,050.9
August	10,087.3	52,813	7.0	366	294,060	39,509	2,038.3
September	10,086.3		7.4	381			2,030.5
October	10,087.4		8.1	389			2,039.5
November	10,024.9	54,434	8.1	417	301,146	38,924	2,014.1
December	10,011.2		8.6	460			2,010.1
<u>1982</u>							
January	10,011.8		8.7	405			1,994.0
February	9,989.3	53,457	8.9	437	301,681	38,528	1,983.8
March	9,969.3		9.4	467			1,977.8
April	9,920.0		9.3	510			1,974.3
May	9,907.7	55,011	9.5	506	308,115	38,166	1,967.7
June	9,909.2		9.5	544			1,961.1
July	9,908.9		10.5	508			1,946.8
August	9,876.9	54,198	10.3	541	314,259		1,939.0
September	9,858.0		10.1	550			1,927.5
October	9,835.9		10.7	577			1,922.1
November	9,797.2		11.2	594			1,913.9
December			11.1				

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	DOD Prime Contracts (mil dol.) ^{b/}	Consumer Price Index (1967=100) ^{c/}				Other Indicators		
		San Francisco		Los Angeles		California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
		Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban			
1979								
January		--	--	199.7	199.6	24,955	27,782	13,803
February	3,015	204.2	203.9	202.3	201.9	25,563	27,761	12,461
March		--	--	204.4	203.8	25,917	27,011	10,778
April		209.3	208.8	208.8	207.8	25,836	29,474	11,708
May	2,373	--	--	212.4	211.0	26,618	29,038	13,833
June		213.7	212.5	214.5	212.9	26,786	28,141	13,929
July		--	--	216.8	214.7	27,380	28,715	13,231
August	3,392	218.6	218.3	219.6	217.5	27,864	29,326	12,500
September		--	--	223.0	220.7	27,517	28,360	12,582
October		220.8	221.5	224.0	221.8	28,191	28,613	11,987
November	3,423	--	--	225.8	224.2	27,628	29,341	12,709
December		229.0	230.2	229.9	228.0	28,396	29,951	12,970
1980								
January		--	--	235.0	232.6	28,763	30,657	13,136
February	3,449	240.0	240.7	240.0	237.6	29,315	29,968	13,292
March		--	--	243.9	241.3	29,691	29,037	12,908
April		242.8	243.5	247.8	244.6	28,966	30,185	12,073
May	3,350	--	--	252.6	249.1	29,091	29,577	10,040
June		247.7	248.0	253.4	250.1	29,203	29,049	9,150
July		--	--	251.5	248.7	29,414	29,714	11,914
August	3,617	251.4	251.0	250.1	247.3	29,979	29,981	12,115
September		--	--	251.6	249.6	30,175	30,939	11,582
October		252.6	251.9	254.9	252.6	30,961	30,809	12,040
November	3,513	--	--	258.4	255.5	31,832	30,802	11,312
December		255.7	254.9	262.2	258.7	32,213	30,041	10,690
1981								
January		--	--	262.7	259.4	32,168	28,806	9,919
February	4,176	261.6	260.5	265.0	261.6	31,730	28,371	11,096
March		--	--	266.5	263.3	31,822	28,066	9,811
April		270.9	270.3	269.1	265.5	32,050	29,062	12,026
May	3,980	--	--	270.7	267.3	33,120	28,542	11,246
June		274.3	274.0	271.7	267.9	33,882	27,891	11,540
July		--	--	276.3	272.2	34,365	27,533	10,786
August	5,017	287.2	287.9	278.6	274.8	35,035	27,385	9,622
September		--	--	282.9	279.3	35,306	28,537	11,417
October		295.6	297.0	284.9	281.3	35,082	27,124	11,045
November		--	--	285.5	281.8	35,173	27,684	10,618
December	4,007	292.7	294.0	286.1	282.3	35,539	28,060	10,548
1982								
January		--	--	289.8	285.6	36,213	28,359	10,758
February	7,292	249.9	295.8	289.4	285.6	36,674	27,290	10,348
March		--	--	290.4	286.6	37,646	28,117	10,291
April		297.8	298.8	290.5	286.8	36,517	27,517	10,453
May		--	--	290.6	287.1	38,064	27,821	10,052
June		303.4	304.6	293.9	290.1			9,162
July		--	--	293.0	289.3			10,255
August		302.8	304.3	292.8	289.1			9,955
September		--	--	291.7	288.2			9,700
October		301.3	302.4	292.8	289.5			9,223
November		--	--	291.6	288.5			

^{a/}Annual basis.^{b/}Quarterly data.^{c/}Not adjusted for seasonal variation.^{r/}Revised

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1969</u>		<u>1970--Continued</u>	
January 1	Social security contribution rate increased to combined 9.6 percent.	November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.	November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.	November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.	December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.	December 20	13-week extended duration unemployment benefits in effect.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.	December 22	Prime rate reduced from 7 percent to 6-3/4 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.	<u>1971</u>	
October 27-February 1970	General Electric strike.	January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
<u>1970</u>		January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.	January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.	January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.	January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.	January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
April 2-June 2	Teamster strike.	February 4	Rolls Royce bankruptcy announced.
May 6	Stock margin requirement cut from 80 percent to 65 percent.	February 9	Los Angeles earthquake.
July 1	Personal income tax surcharge removed.	February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
September 14-November 23	UAW strike against GM.	February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.	February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

<u>1971--Continued</u>		<u>1971--Continued</u>	
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.	November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to January 1, 1971. Contribution base raised to \$9,000 effective January 1, 1972.	November 14	Phase II of NEP in effect.
March 25	SST program terminated.	December 6	Stock margin requirements cut from 65 percent to 55 percent.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.	December 10	Revenue Act of 1971 signed into law.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.	December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.		Intent to devalue U.S. dollar announced.
May 17-18	Rail strike.		<u>1972</u>
June 1-July 27	Communications workers strike against Western Union.	January 17-February 20	West Coast dock strike continued.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.	February 1-March 15	Kaiser Steel Company strike.
June 29-July 16	Northern California construction strike.	July 1	20 percent increase in social security benefits signed into law. Effective September.
July 1-October 6	West Coast dock strike.	September 11	Opening of BART Fremont-Oakland line.
July 14-August 2	Telephone strike.	September 21	"Friends of Mammoth" decision.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.	November 24	Stock margin requirements raised to 65 percent.
July 16-August 2	Rail strike.		<u>1973</u>
July 31	Steel strike averted by accord on contract.	January 11	Phase III of NEP in effect.
August 2	Lockheed loan guarantee approval.	January 15	Discount rate raised from 4-1/2 percent to 5 percent.
August 3	Teamsters walkout in Northern California against building contractors.	January 27	Viet Nam cease fire signed.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.	January 29	Opening of BART Richmond-Oakland line.
October 1	East and Gulf Coast longshoremen's strike.	February 12	10 percent devaluation of U.S. dollar announced.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.	March 2	Major foreign currency exchanges closed.
		March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

<u>1973</u>		<u>1974--Continued</u>	
April 9-13	Consumer meat boycott.	April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.	June 17-August 4	San Diego construction strike.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.	June 17-July 21	Northern California construction strike.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.	July 1-Mid-August	Southern California construction strike.
June 14	60-day price freeze announced.	July 1	Transit strikes, San Francisco Bay Area.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.	August 2-October 21	Los Angeles area transit strike.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.	August 8	Resignation of President Nixon announced.
July 18	Phase IV announced.	August 14	FHA mortgage rate raised to 9-1/2 percent.
August 27	Prime rate at 9-3/4 percent in major institutions.		Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:
October 17	Arab nations announce reductions in oil shipment.		October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14....10 3/4 percent November 25....10 1/2 percent
November 5-December 18	TWA strike.	October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
<u>1974</u>		November 12-December 9	Coal strike.
January 3	Stock margin requirements cut from 65 percent to 50 percent.	December 9	Discount rate reduced from 8 percent to 7-3/4 percent.
February 1-11	Independent truckers strike, midwest and east coast.		<u>1975</u>
February 15	Prime rate reduced to 9 percent.	January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
February 22	Prime rate reduced to 8-3/4 percent.	January 10	Oil Chemical Atomic Workers Union strike.
March 4	California minimum wage increased to \$2.00 per hour from \$1.65.	January 13	Prime rate reduced to 10 percent. Further major cuts as follows:
March 18	Arab oil embargo lifted.		January 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
March 27	Prime rate increased to 9 percent from 8-3/4 percent.	January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
March 28	Prime rate further increased to 9-1/2 percent.	February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.		
April 29	Prime rate up to 10-3/4 percent.		

CHRONOLOGY--Continued

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.....7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31.....7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4.....6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to \$2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.
<u>1977</u>	
May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to \$2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from \$2.50 to \$2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

<u>1978--Continued</u>		<u>1978--Continued</u>	
May 8	California savings and loan associations raised mortgage rates from 9-3/4 percent to 10 percent.	October 12	Prime rate raised from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.	October 15	Tax cut and energy bills passed by Congress.
May 23	Federal funds rate increased to 7-1/2 percent. FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.	October 16	Discount rate raised from 8 percent to 8-1/2 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.	October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
June 6	Proposition 13 approved by California voters.	October 24	Prime rate raised from 10 percent to 10-1/4 percent. California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
June 16	Prime rate raised to 8-3/4 percent.	October 24	Phase II announced: voluntary guidelines on wages and prices.
June 20	OPEC announced a freeze on crude oil prices until December 16.	November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.		Prime rate raised to 10-1/2 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.	November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
June 30	Prime rate raised to 9 percent.	November 13	Prime rate raised from 10-3/4 percent to 11 percent.
July 10	Discount rate raised to 7-1/4 percent.	November 24	Prime rate raised to 11-1/2 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.	November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
August 20	Retail clerks union strike in Southern California.	December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
August 21	Discount rate raised to 7-3/4 percent.	December 19	Federal funds rate raised to 10 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.	December 20	Prime rate raised to 11-3/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.	<u>1979</u>	
September 15	Prime rate raised to 9-1/2 percent.	January 1	U.S. minimum wage increased to \$2.90 per hour.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.	January 13	Prime rate reduced to 11-1/2 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.	March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
		March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

CHRONOLOGY--Continued

<u>1979--Continued</u>		<u>1980--Continued</u>	
March 31	United Airlines-machinist strike.	March 14	Announcement of tighter fiscal policies.
April 1-10	Teamsters strike.	March 17	Three percent discount rate surcharge imposed.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.	March 18	Prime rate raised to 19 percent.
May 19	Federal funds rate set at 7-1/4 percent.	April 2	Prime rate raised to 20 percent.
May 26	United Airlines strike ended.	April 3	FHA mortgages raised to 14 percent.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.	April 20	Prime rate reduced to 19-1/2 percent.
June 12	Prime rate reduced to 11-1/2 percent.	April 28	FHA mortgages reduced to 13 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.		Prime rate reduced to 18-1/2 percent.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.	May 5	Prime rate reduced to 18 percent.
August 16	Discount rate raised to 10-1/2 percent.	May 7	Prime rate reduced to 17 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.	May 8	Discount rate surcharge reimposed.
August 26- September 10	Los Angeles Rapid Transit District strike.	May 12	Prime rate reduced to 16-1/2 percent.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.	May 19	Prime rate reduced to 16 percent.
August 31- November 21	BART strike.	May 28	Discount rate lowered to 12 percent from 13 percent.
September 4	Federal funds rate raised from 11-1/4 percent	June 4	Prime rate reduced to 13 percent.
	<u>1980</u>	June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
February 25	Prime rate raised to 15-1/2 percent.	June 20	Prime rate reduced to 12 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.	June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
February 29	Prime rate raised to 16-3/4 percent.	June 25	Carpenters strike in Northern California ended.
March 4	Prime rate raised to 17-1/4 percent.	July 3	ICC begins trucking industry deregulation.
March 7	Prime rate raised to 17-3/4 percent.	July 21	Motion picture and television industry strike.
March 13	Prime rate raised to 18-1/4 percent.	July 22	Prime rate reduced to 11 percent.
		July 25	Prime rate reduced to 10-3/4 percent.

CHRONOLOGY--Continued

<u>1980--Continued</u>		<u>1981</u>	
July 28	Discount rate reduced to 10 percent.	January 1	Minimum wage raised from \$3.10 to \$3.35.
August 5	Prime rate raised to 11 percent.	January 6	Prime lowered to 20 percent.
August 27	Prime rate raised to 11-1/2 percent.	January 20	American hostages released from Iran.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.	January 20	Ronald Reagan inaugurated as 40th President of the U.S.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.	January 28	Deregulation of oil and gas industry announced, effective immediately.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.	January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.	February 16	General Motors and Ford rebate plans announced.
October 2	Prime raised from 13 to 13-1/2 percent.	February 23	Prime rate lowered to 18 percent.
October 3	Prime raised to 14 percent.	March 2	Prime rate lowered to 18-1/2 percent.
October 15	AFTA workers return to work.	March 10	Prime rate lowered to 18 percent.
October 23	Screen Actors Guild strike ends.	March 16	Prime rate lowered to 17-1/2 percent.
October 30	Prime raised from 14 to 14-1/2 percent.	March 18	Prime rate lowered to 17 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.	March 26	United mine workers strike.
November 14	PSA pilots strike ends.	April 13	Prime rate raised to 17-1/2 percent.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.	April 29	Prime rate raised to 18 percent.
November 21	Prime raised to 17 percent.	May 4	Prime rate raised to 19 percent.
November 28	Prime raised to 17-3/4 percent.	May 5	Discount rate raised from 13 percent to 14 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.	May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.	May 11	Prime rate raised to 19-1/2 percent.
December 11	Prime raised to 20 percent.	May 22	Prime rate raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.	May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
December 23	Prime lowered from 21 to 20-1/2 percent.	June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

<u>1981--(Continued)</u>		<u>1981--(Continued)</u>	
June 8	Coal miners end 72 day strike and ratify a 40-month contract.	December 12	Martial law imposed in Poland.
		<u>1982</u>	
July 8	Prime rate raised to 20-1/2 percent.	January 22	Federal funds rate raised to 13-1/2 percent.
August 3	Air traffic controller's strike.	January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
August 14	President Reagan signs both the tax- and budget-cut bills into law.	January 27	Federal funds rate raised to 13-3/4 percent.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.	February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
September 1	Prime rate lowered to 20 percent.	February 18	Prime rate increased to 17 percent.
September 21	Prime rate lowered to 19-1/2 percent.	February 24	Prime rate cut back to 16-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.	March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
October 6	Prime rate lowered to 19 percent.	March 8	Prime rate lowered to 16 percent.
	Egyptian President Sadat assassinated.	March 16	Prime rate back up to 16-1/2 percent.
October 13	Prime rate lowered to 18 percent.	April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at \$34/barrels.
October 30	OPEC price set at \$34.00/barrel--the Saudi benchmark.	April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.	April 12	General Motor and United Auto Workers labor agreement approved.
November 2	Fed discount rate cut from 14 percent to 13 percent.	April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
	Prime rate lowered to 17-1/2 percent.	May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
November 10	Prime rate lowered to 17 percent.	May 13	Braniff Air Lines ceases operation.
November 13	Prime rate lowered to 16-1/2 percent.	June 25	Secretary of State Alexander Haig resigns.
	FHA mortgage rate lowered to 15-1/2 percent.	June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.
November 16	Prime rate lowered to 16 percent.		
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.		
December 1	Prime rate lowered to 15-1/2 percent.		
December 4	Fed discount rate lowered from 13 percent to 12 percent.		

CHRONOLOGY--Continued

<u>1982--Continued</u>		<u>1983</u>	
July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.	January 11	Prime rate lowered to 11 percent.
July 27	Prime rate lowered to 15-1/2 percent.		
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.		
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.		
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.		
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.		
August 19	The stock market trading soared to a record 132,690,000 shares.		
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.		
September 19	National Football League players strike began. Railroad strike involving locomotive engineers began.		
September 23	Railroad strike ends.		
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.		
October 7	Prime rate lowered to 13 percent.		
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.		
October 15	Prime rate lowered to 12 percent.		
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.		
November 22	Discount rate cut from 9-1/2 percent to 9 percent.		
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.		
December 13	Discount rate cut to 8-1/2 percent.		

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	News business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

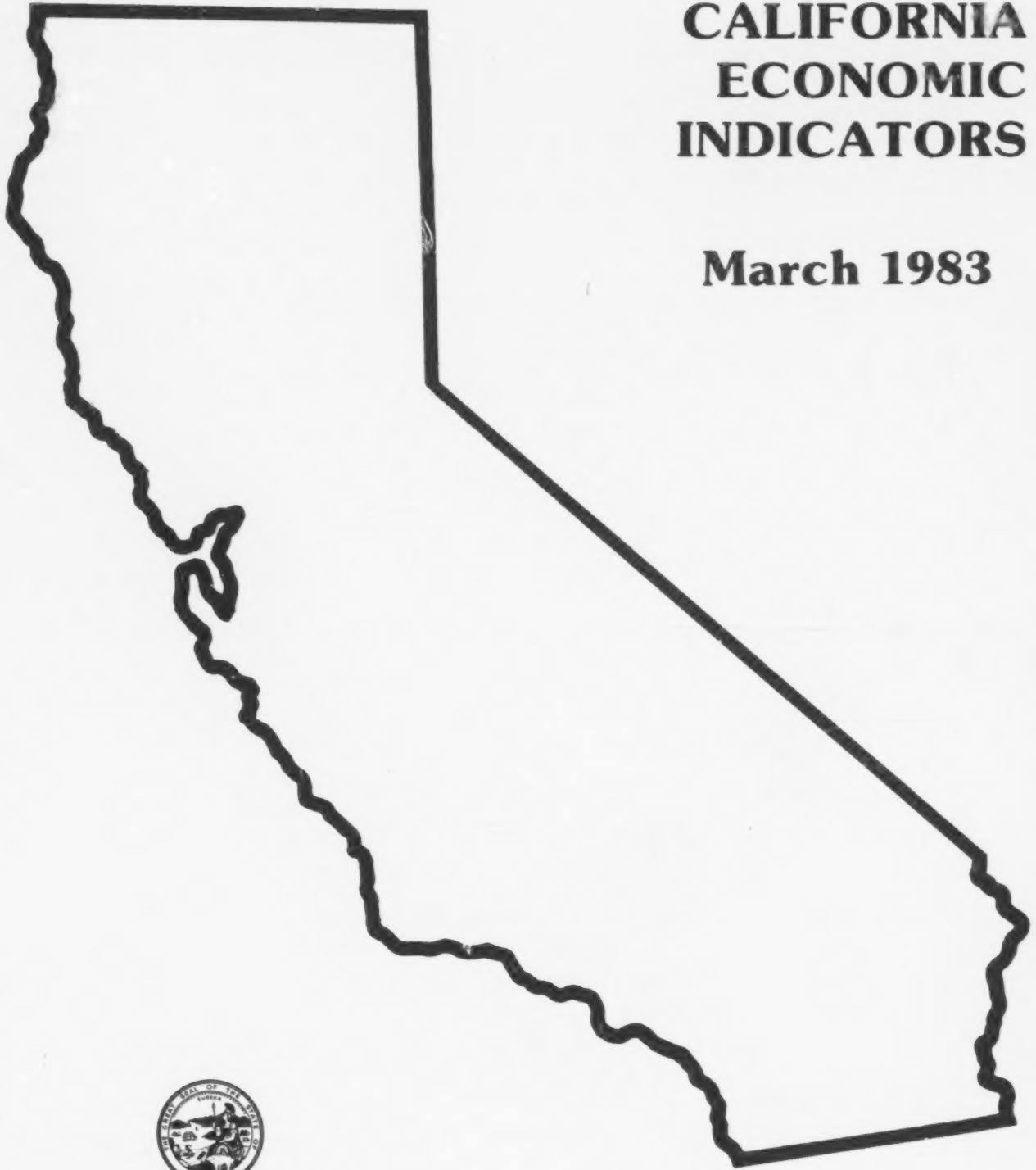
REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

<u>Initial Trough</u>	<u>Peak</u>	<u>Terminal Trough</u>	<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		

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CALIFORNIA ECONOMIC INDICATORS

March 1983



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- . review of economic developments
- . current California economic data table
- . economic indicator charts
- . basic data for California economic series
- . chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

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REVIEW OF ECONOMIC DEVELOPMENTS

The California economy is showing signs that the recession may be over. The California Index of Leading Economic Indicators rose for the fifth straight month in January. The Index is a predictor of general economic activity approximately three months into the future, and is now at the highest level in twelve months. While not all of the sectors of the economy have begun to show similar improvements, indications are that they will shortly.

The construction industry is likely to post a fairly strong rebound from the recession. The rate of new housing authorizations during January--at 137,900 units--was up almost 100 percent from the year-earlier rate, while nonresidential valuation was up almost 50 percent. Although the seasonally adjusted data may be somewhat distorted by the strength of the off-season recovery, the January increases were, nonetheless, a continuation of a trend that began last fall.

Some of the new permit activity may be in anticipation of greater availability of mortgages. The January net new saving in California savings and loan associations of \$5.9 billion shattered the previous record of \$3.5 billion in December. These record inflows resulted almost exclusively from deregulation and the new money market deposit account.

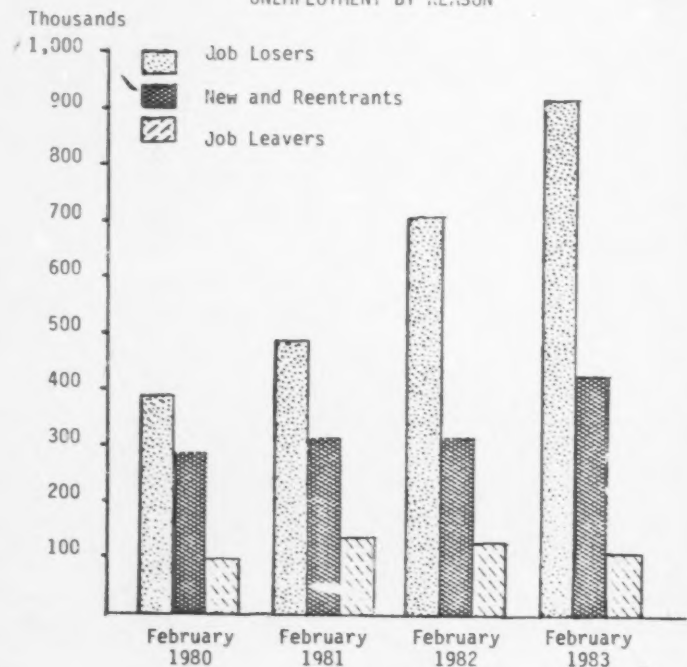
Inflation, as measured by the California Consumer Price Index, has been slowed dramatically. The index rose 0.4 percent in February, and is now less than 0.1 percent higher than in February 1982. While minor increases were registered in a majority of the CPI components, home fuel costs and gasoline prices were down in the latest month. An unexpected rise in the homeownership index occurred in the Los Angeles area, due to a moderate firming in both house prices and mortgage rates. Given recent trends, the California CPI for 1983 should record the smallest rise since 1955, when the index for the State fell by 0.2 percent.

Private nonfarm wage and salary employment has also been improving. February's seasonally adjusted level of 8,145,100 was the highest in seven months. January marked the first time since April 1981 that all sectors posted employment gains. Although this was not repeated in February, strong gains in trade, transportation and public utilities, and mining more than offset slight setbacks in construction, manufacturing, and services. There is concern that recent data may reflect unusual weather conditions, not adequately compensated for by seasonal adjustment factors. By May a more accurate reading of the pace of recovery should be possible.

Total civilian employment continues to decline. February's 0.1 percent drop to 10,893,000 represented a loss of 180,000 jobs since September's peak. Not surprisingly, the unemployment rate rose from January's 11.0 percent to 11.2 percent in February. Nationally, the rate remained unchanged at 10.4 percent.

Throughout the recession, job losers have accounted for the majority of those unemployed. This was the case for February as well. Typical of the beginning of a recovery, however, the number of new entrants and reentrants to the labor force has begun to increase. This may indicate that discouraged workers--those who stopped actively looking for work and therefore left the labor force--believe that employment prospects are beginning to improve.

UNEMPLOYMENT BY REASON



CURRENT CALIFORNIA ECONOMIC DATA

	1983	1982				1981		Percent Change Jan. 1982- Jan. 1983
	Jan.	Dec.	Nov.	Oct.	Jan.	Dec.		
<u>Employment^{a/}</u>								
Civilian employment (000) - - - - -	10,909	10,950	10,925	10,998	10,925	10,891	-0.1	
Unemployment (000) - - - - -	1,353	1,350	1,361	1,318	1,040	1,025	30.1	
Unemployment rate - - - - -	11.0	11.0	11.1	10.7	8.7	8.6	n.a.	
<u>Nonagricultural wage and salary employment^{b/} (000)- - - - -</u>								
9,865.3	9,809.2	9,834.6	9,852.4	9,930.7	9,945.0	-0.7		
Mining - - - - -	48.4	48.0	48.5	48.5	52.4	51.8	-7.6	
Construction - - - - -	370.4	351.4	357.8	363.4	395.3	397.0	-6.3	
Manufacturing - - - - -	1,927.0	1,909.3	1,922.1	1,925.0	1,987.0	2,000.9	-3.0	
Aerospace ^{c/} - - - - -	638.6	641.1	641.6	640.6	638.6	647.0	0.0	
Transportation and public utilities -	544.9	544.6	544.2	544.3	551.6	552.6	-1.2	
Trade - - - - -	2,277.3	2,268.8	2,274.8	2,277.4	2,289.9	2,293.5	-0.5	
Finance, insurance, and real estate -	646.6	643.1	642.4	641.0	646.2	643.6	0.1	
Services - - - - -	2,326.7	2,320.4	2,316.1	2,310.8	2,263.0	2,258.3	2.8	
Government - - - - -	1,724.0	1,723.6	1,728.7	1,742.0	1,745.3	1,747.3	-1.2	
Federal - - - - -	325.0	325.4	326.3	324.0	327.5	328.6	-0.8	
State and local - - - - -	1,399.0	1,398.2	1,402.4	1,418.0	1,417.8	1,418.7	-1.3	
<u>Hours and Earnings, Manufacturing</u>								
Average weekly hours - - - - -	39.1	39.8	39.3	39.1	39.6	40.5	-1.3	
Average weekly earnings - - - - -	\$367.93	\$376.11	\$367.46	\$366.76	\$356.80	\$364.50		
Average hourly earnings - - - - -	\$9.41	\$9.45	\$9.35	\$9.38	\$9.01	\$9.00		
Index of Leading Indicators - - - - -	122.0	120.0	118.5	118.3	122.7	122.3	-0.6	
<u>Trade</u>								
Retail sales (millions) - - - - -	n.a.	\$11,134	\$11,013	\$10,761	\$10,622	\$10,757	n.a.	
New auto registrations (number) - - - -	73,947p	88,214	77,389	66,797	64,688	70,334	5.1	
<u>Business</u>								
Business failures (number) - - - - -	n.a.	n.a.	n.a.	n.a.	n.a.	288	n.a.	
Business liabilities (000) - - - - -	n.a.	n.a.	n.a.	n.a.	n.a.	\$103,692	n.a.	
New incorporations (number) - - - - -	4,040	4,566	4,075	4,472	3,897	4,580	3.7	
<u>Consumer Price Index, all items^{d/}</u>								
California average (1967=100) - - - - -	--	291.0	--	296.4	--	289.1r	n.a.	
San Francisco (1967=100) - - - - -	--	285.3	--	302.4	--	294.0	n.a.	
Los Angeles (1967=100) - - - - -	285.5	293.9	288.5	289.5	285.6r	282.1r	0.0	
San Diego (1967=100) - - - - -	316.1	--	321.7	--	323.1	--	-2.2	
<u>Production</u>								
Petroleum (000 barrels daily) - - - - -	n.a.	1,094.7	1,107.0	1,115.6	1,086.6	1,084.3	n.a.	
Portland cement (000 short tons)- - - -	n.a.	479.7	453.9	571.8	406.8	568.6	n.a.	
Raw steel (000 net tons) - - - - -	n.a.	39.9	26.3	68.9	160.9	161.8	n.a.	
Selected redwood mill shipments (mil. FBM)	100.1	47.7	52.7	78.3	83.7	42.5	19.5	
<u>Construction</u>								
Private residential housing units authorized (number) - - - - -	137.9	121.0	86.9	85.6	69.4	64.2	98.7	
Nonresidential building authorized, valuation (millions)- - - - -	\$775	\$410	\$541	\$655	\$521	\$693	48.8	

^{a/}Adjusted for seasonal variation.^{b/}Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.^{c/}The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.^{d/}All urban series, old series.^{p/}Preliminary estimate.^{r/}Revised.

n.a. Not available

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

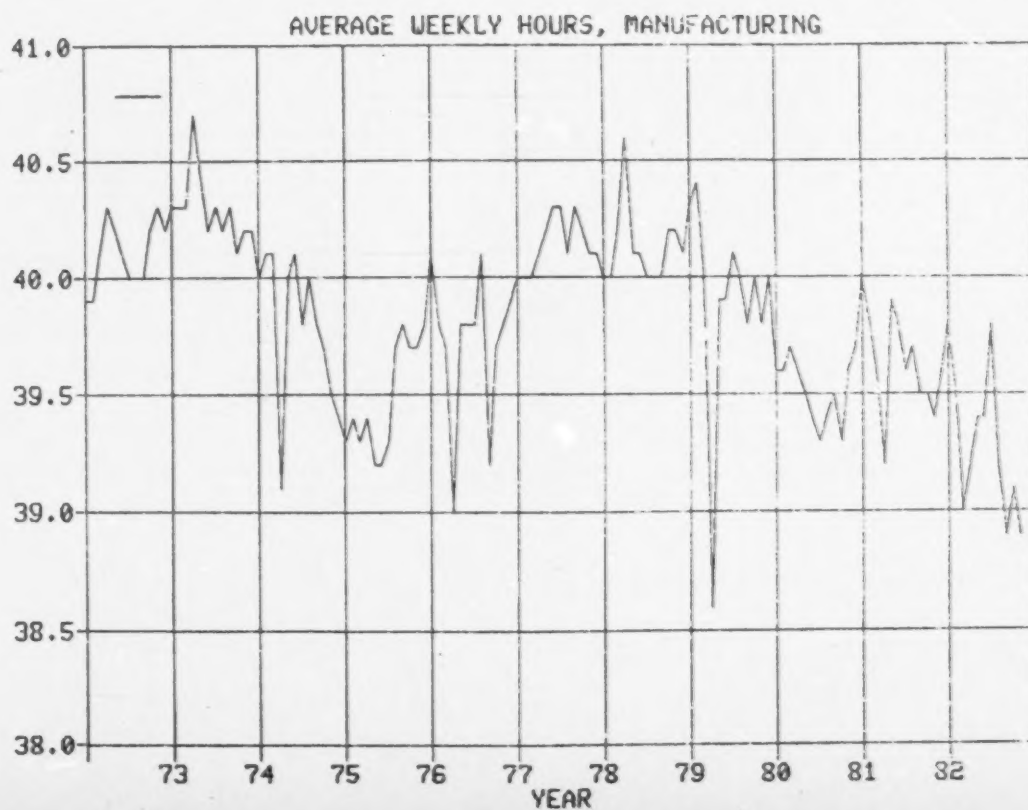
n.a. Not available
e Estimate

p Preliminary
r Revised

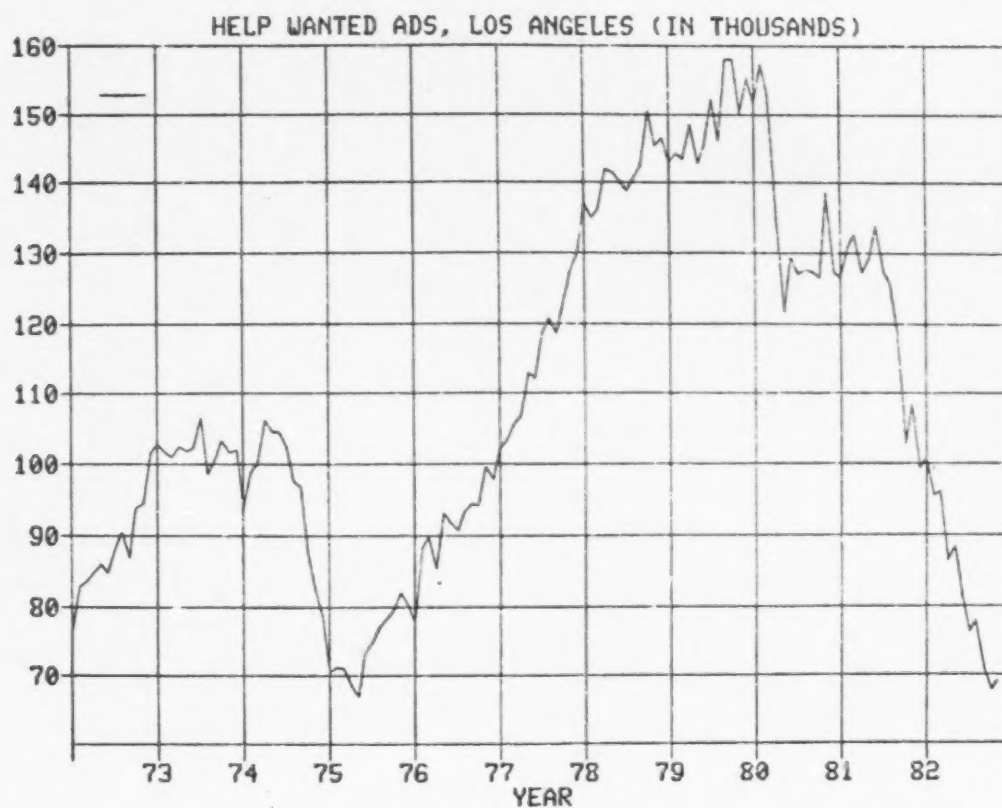
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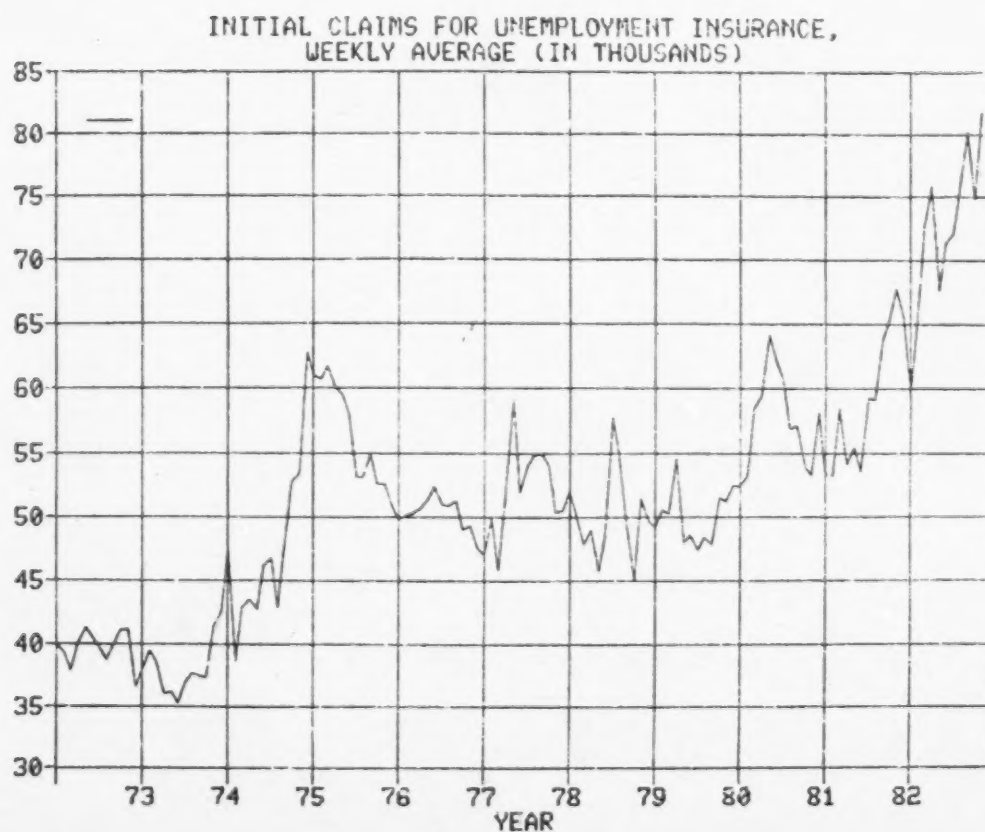
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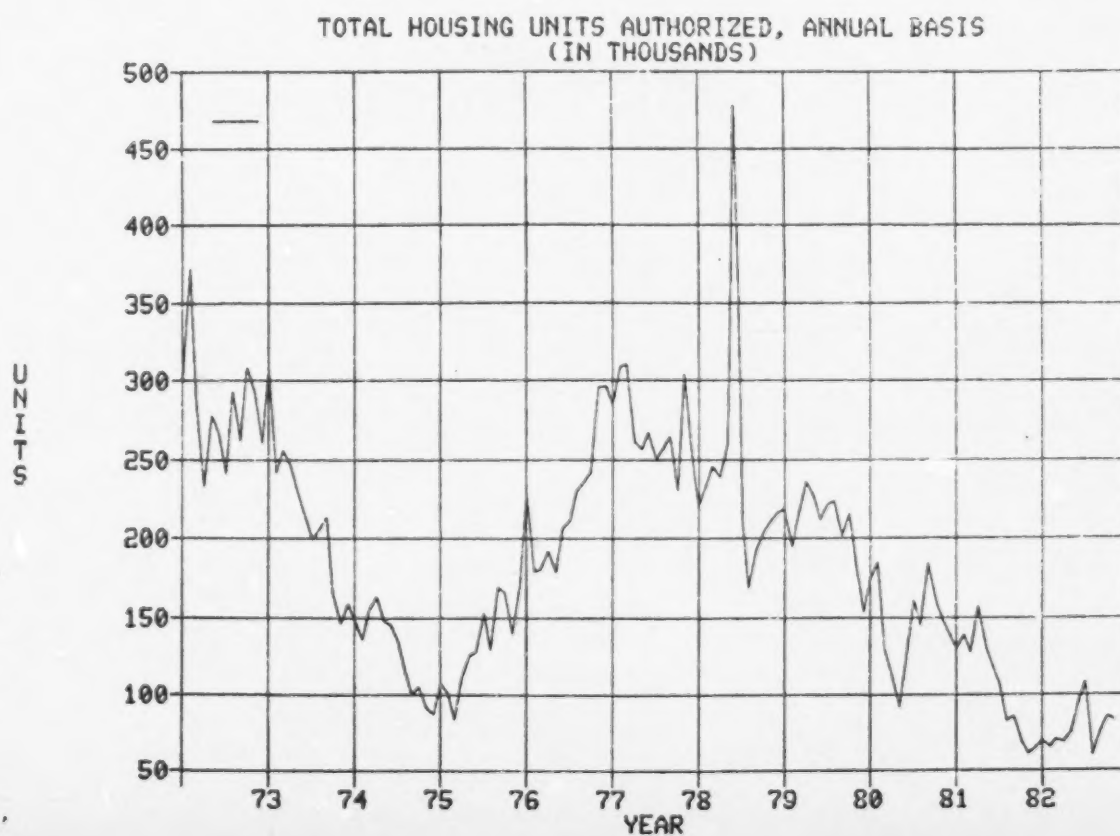
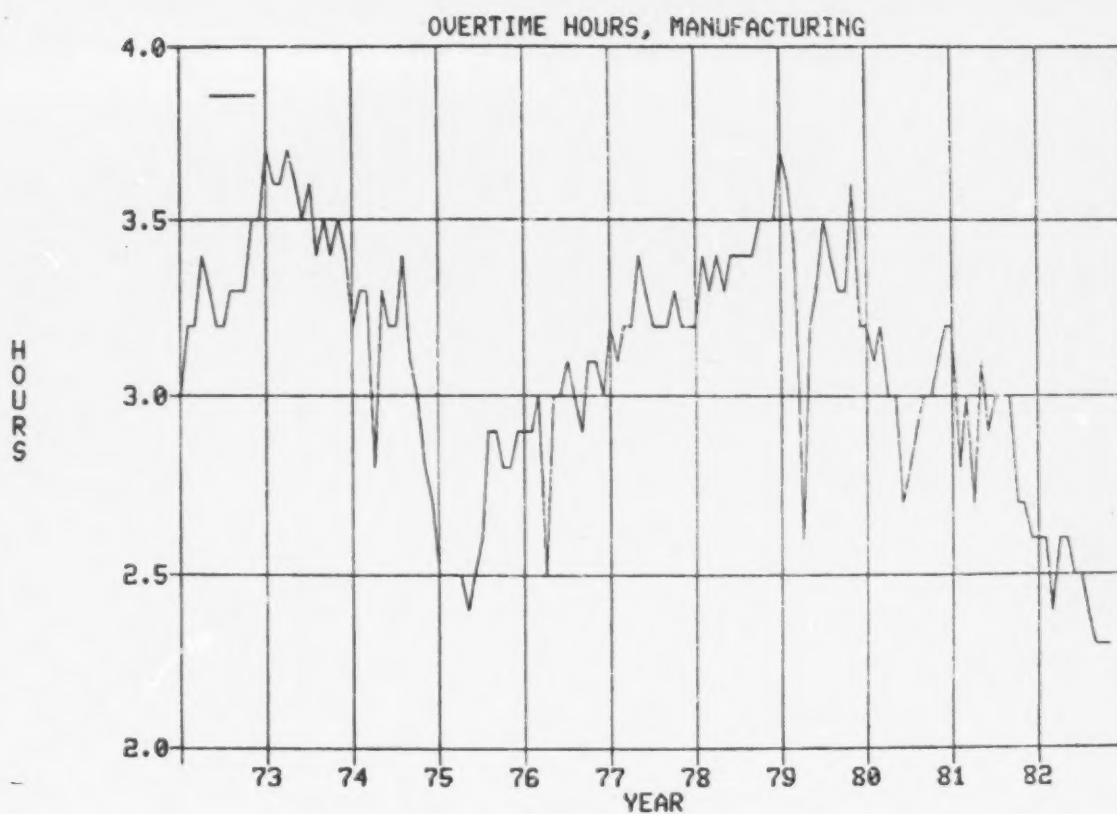


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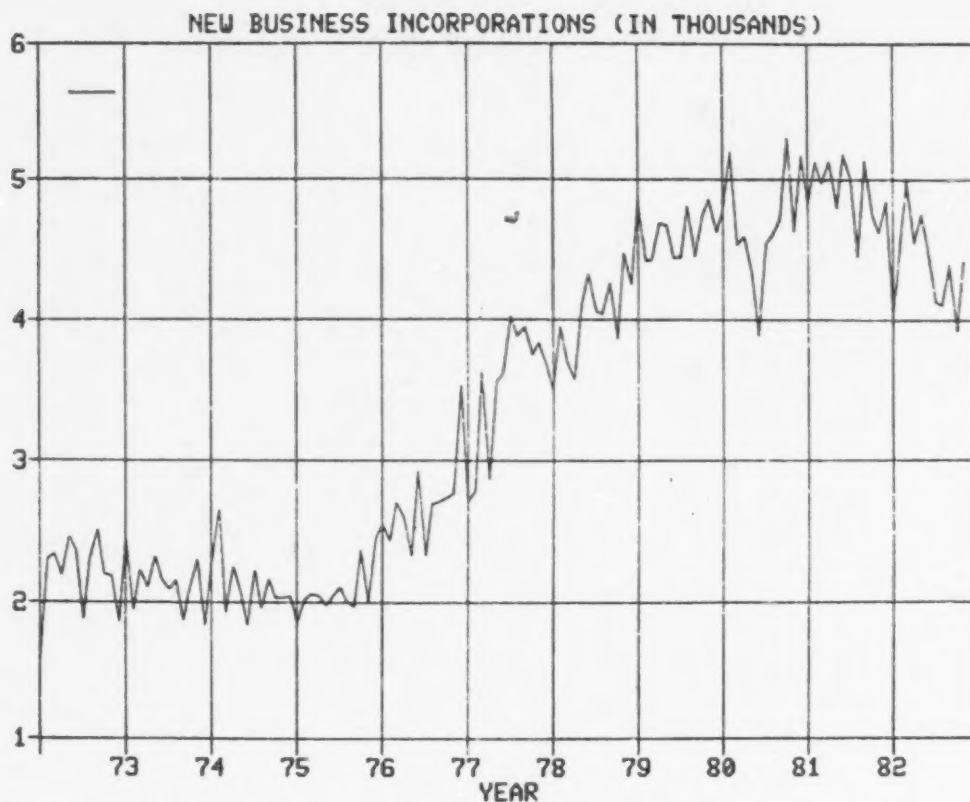


CLAIMS

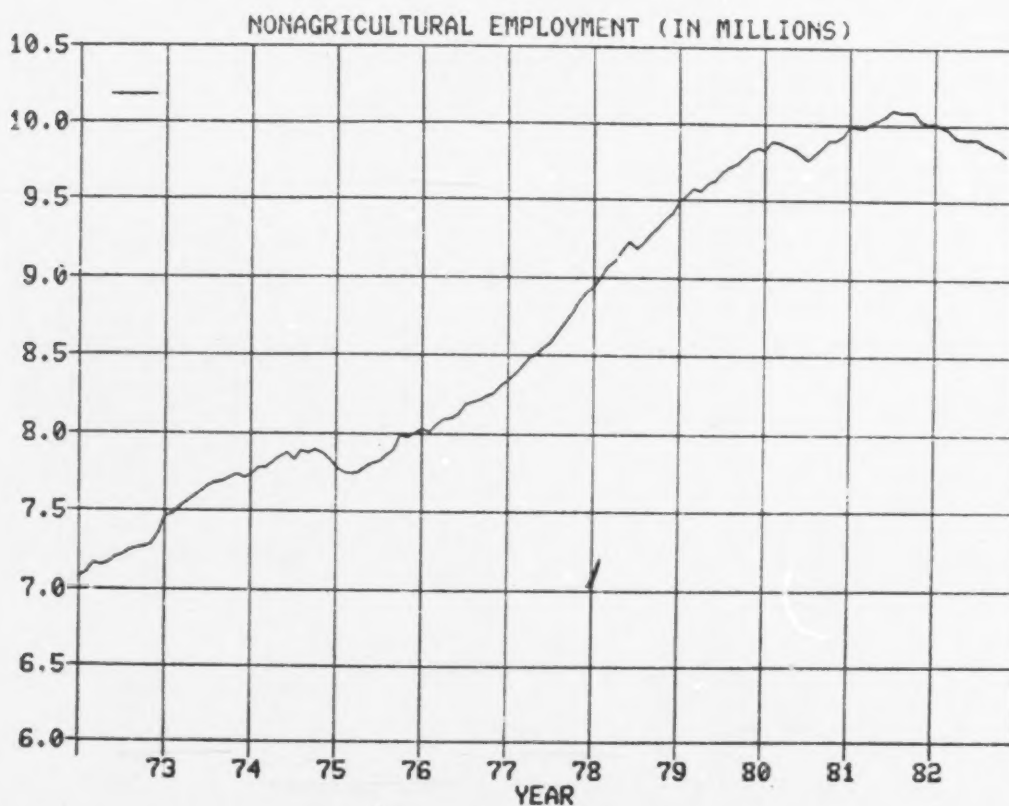


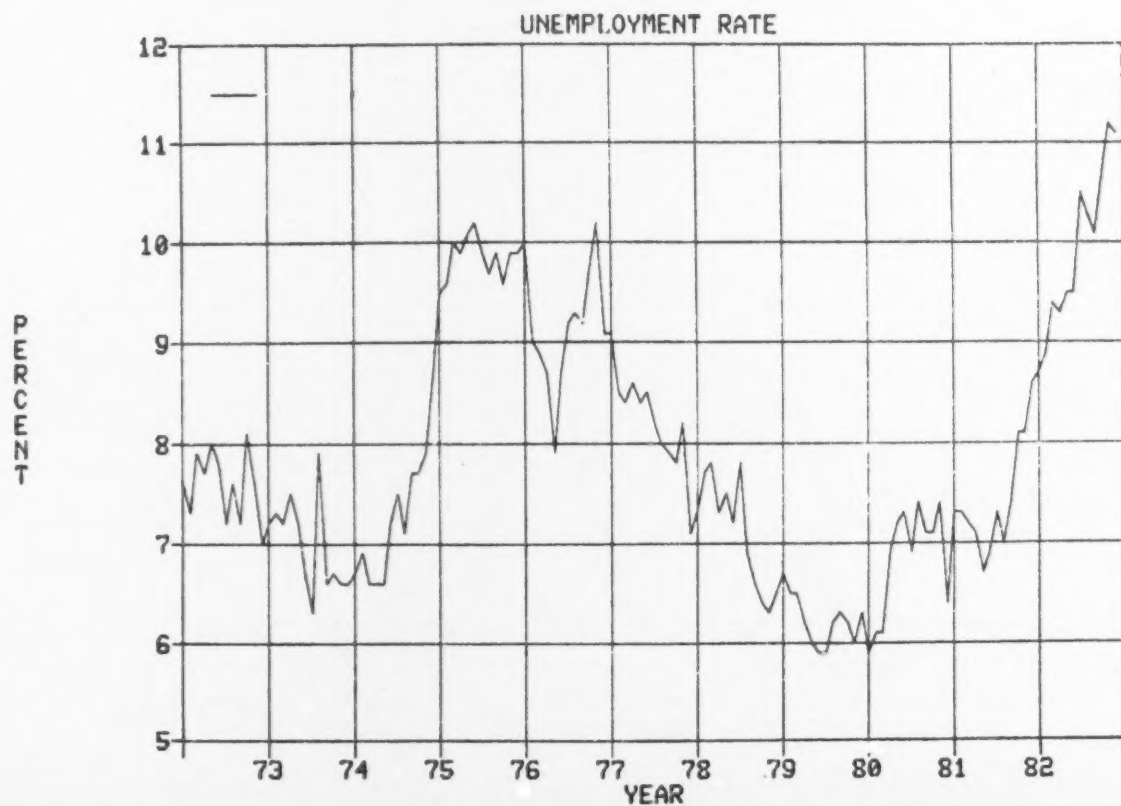
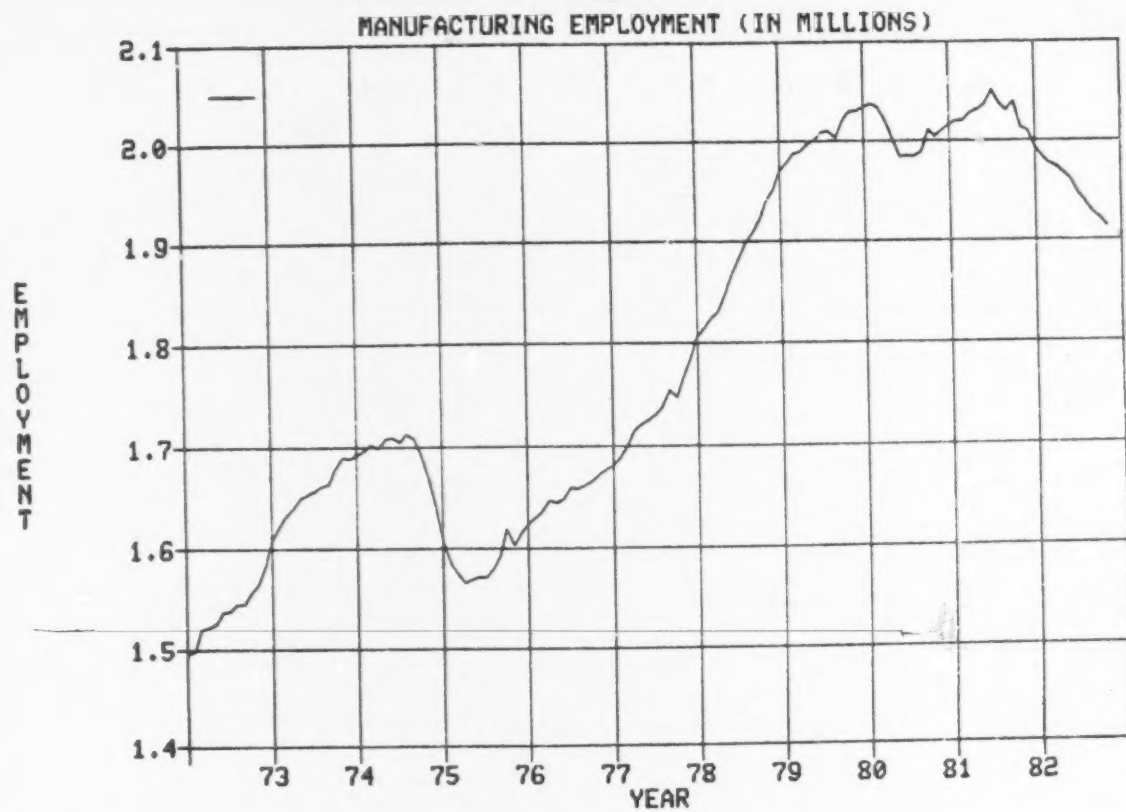


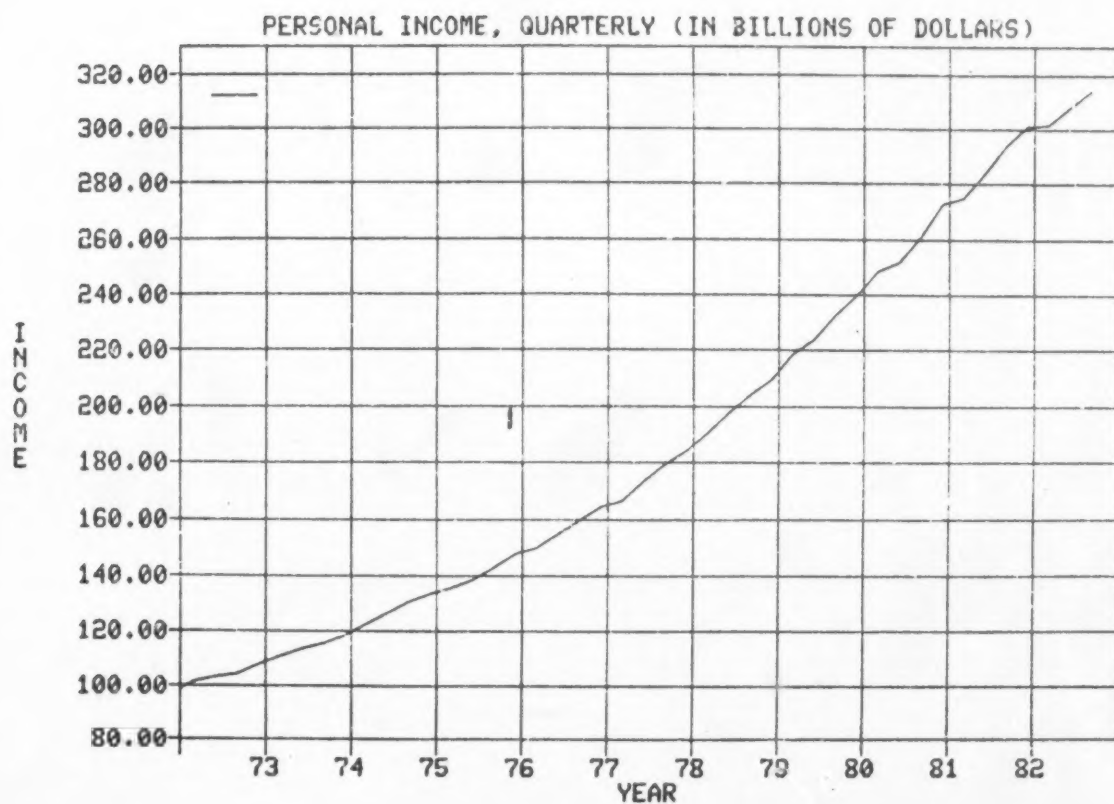
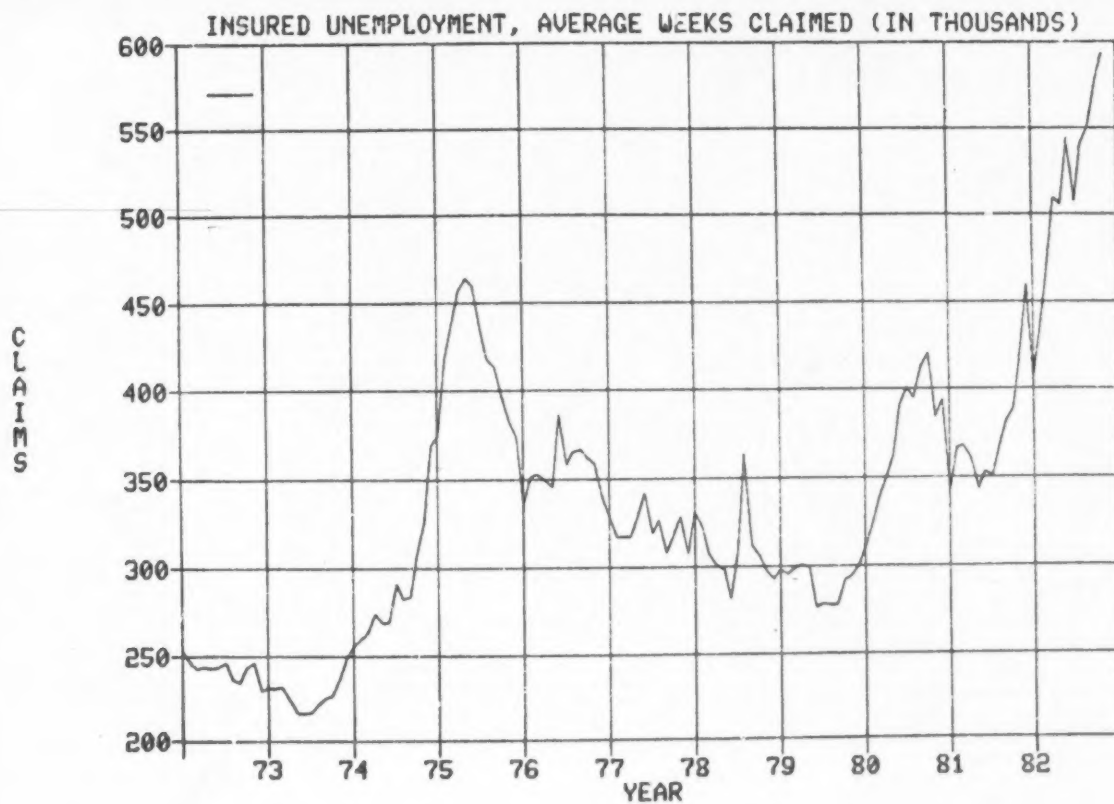
INCORPORATIONS



EMPLOYMENT





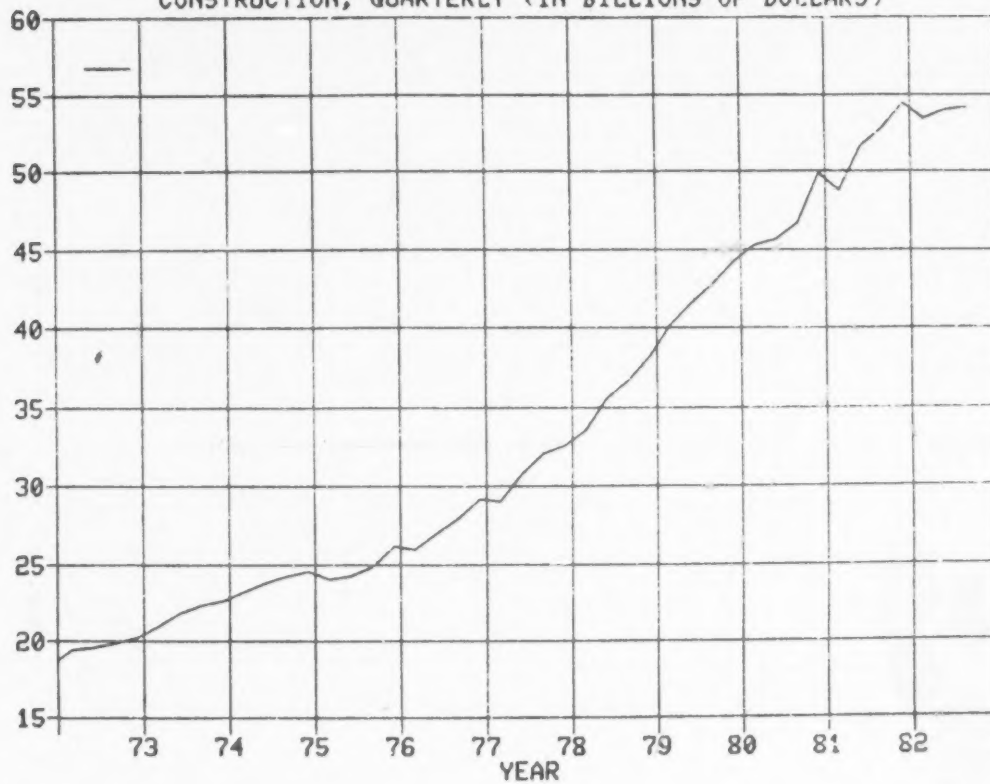


WAGES AND SALARIES FROM MINING, MANUFACTURING, AND
CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)

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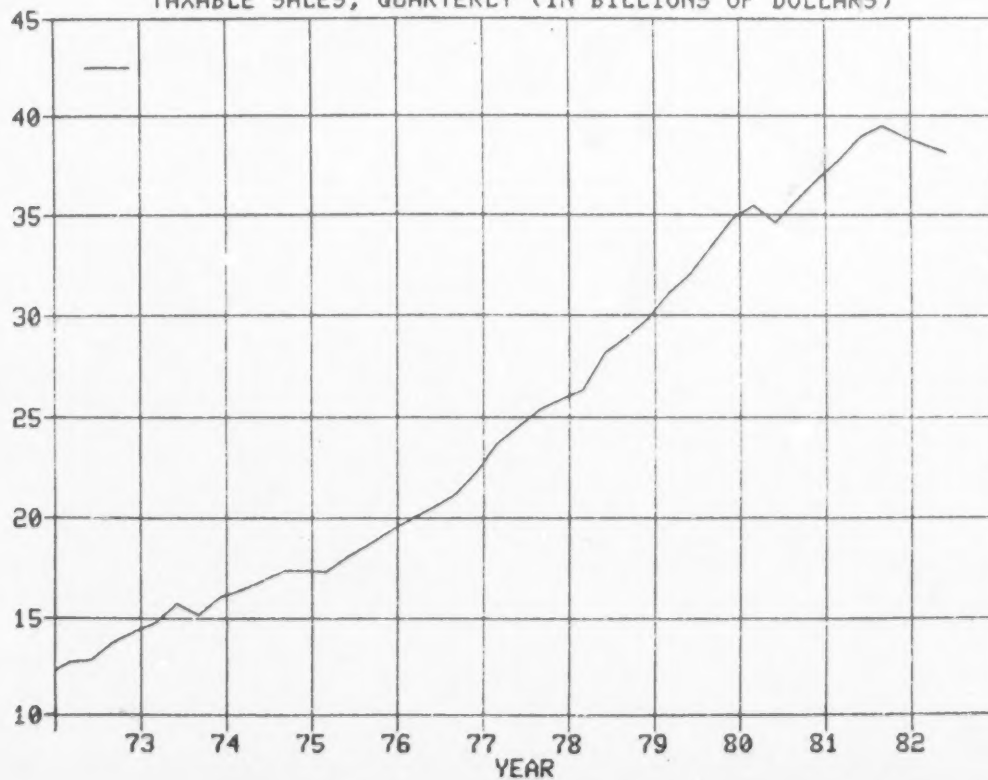
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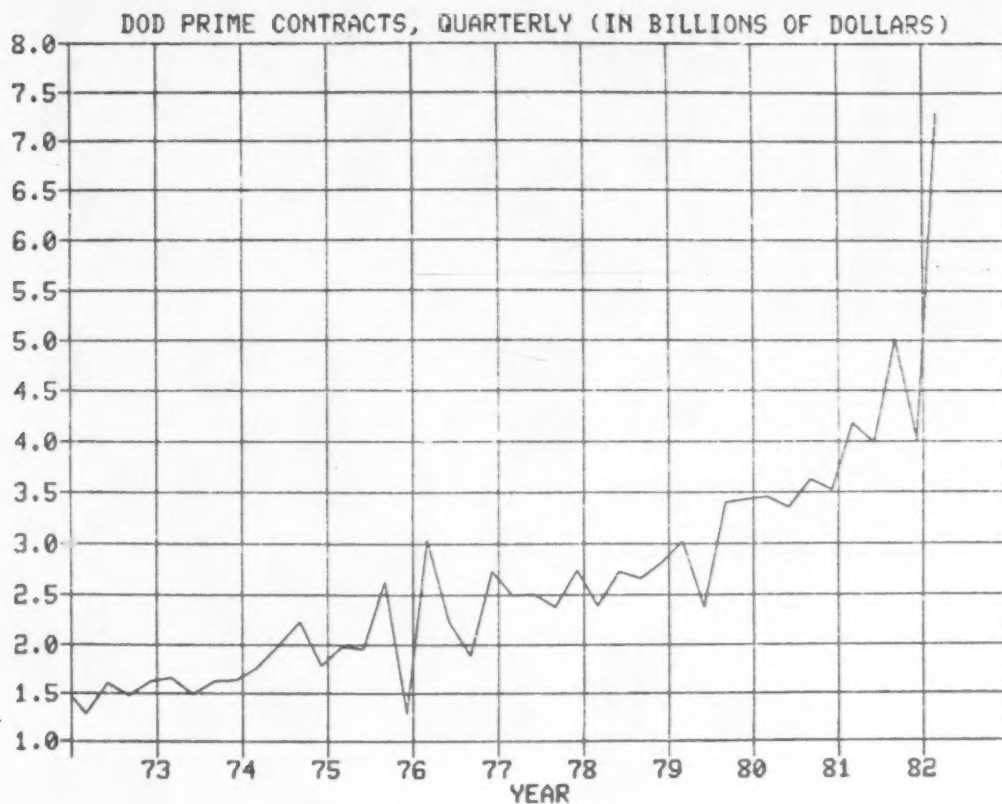


TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)

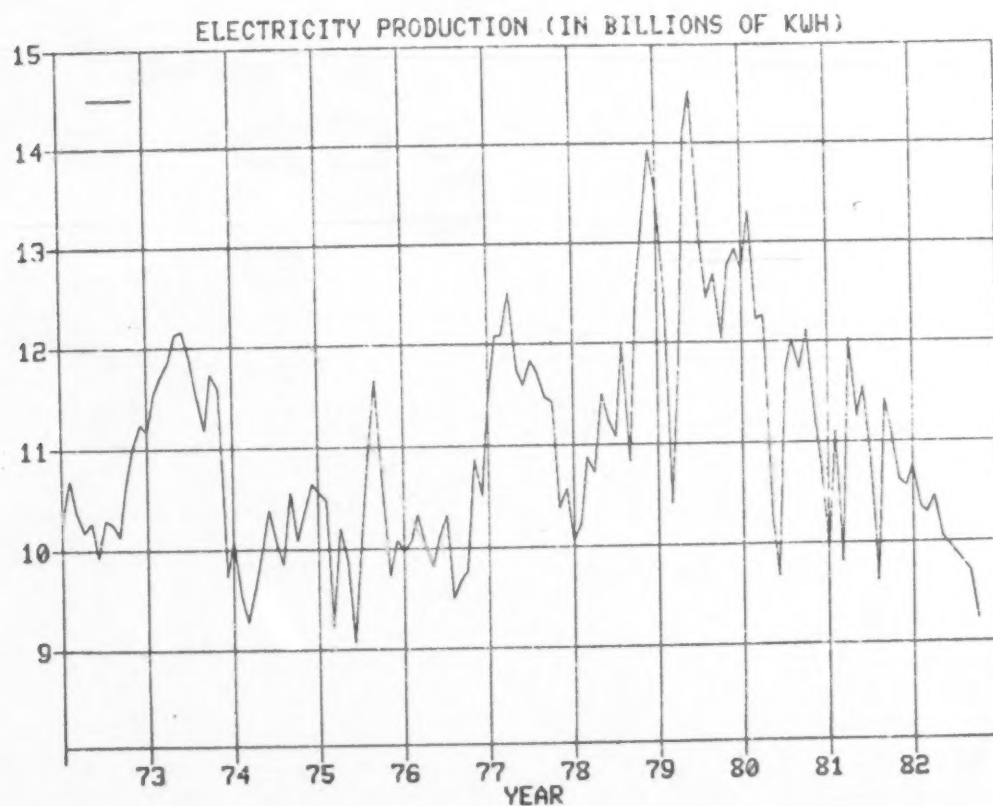
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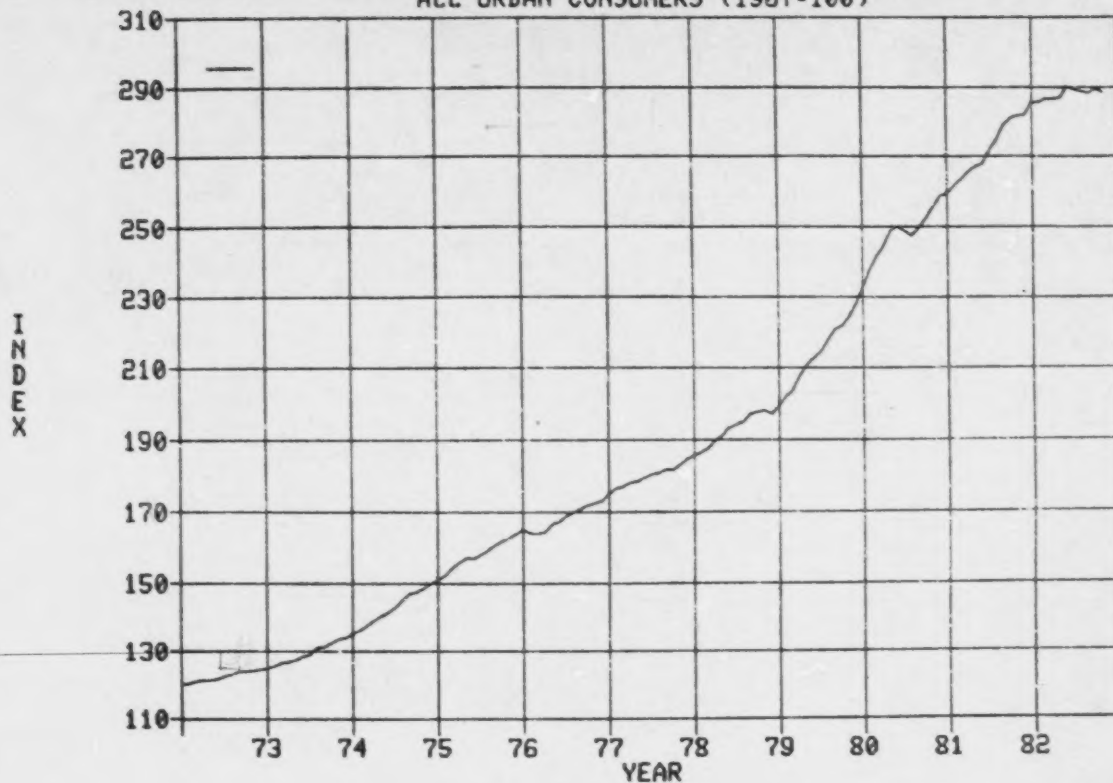
CONTRACTS



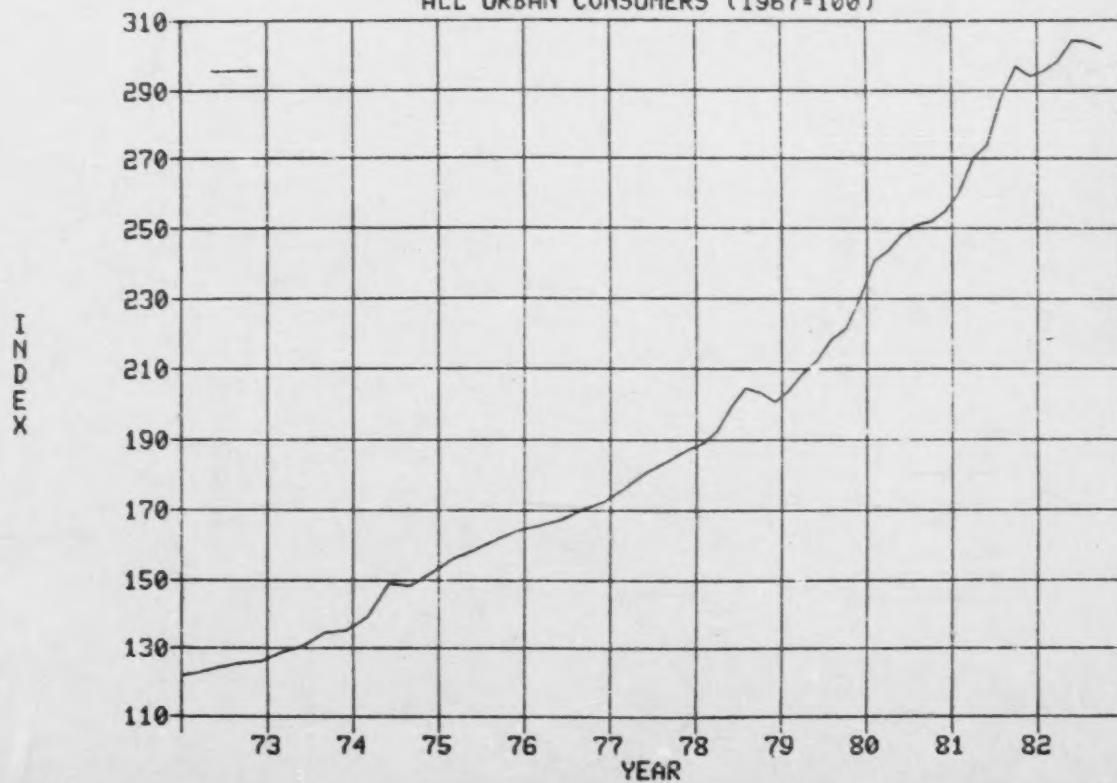
PRODUCTION



CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



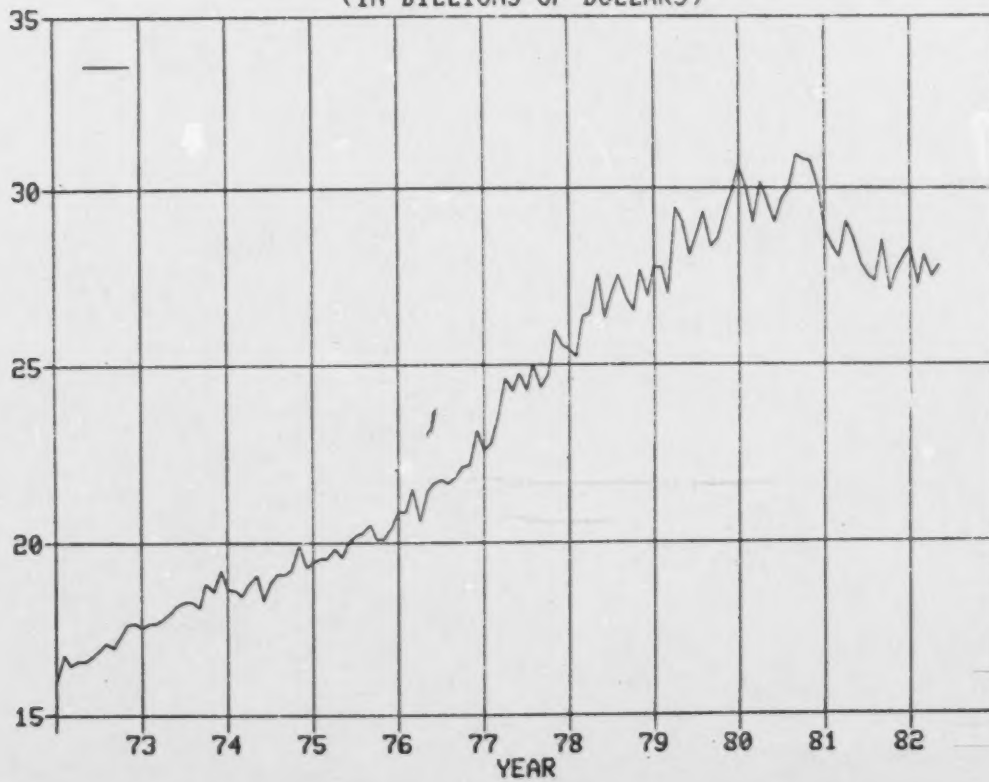
CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)

LOANS



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)

DEPOSITS



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except As Noted)

Year and Month	Leading Indicators						
	Index of Leading Indicators ^{r/} (1972=100)	Average Weekly Hours, Manufac- turing ^{r/}	Help Wanted Ads-- Los Angeles Area ^{r/} (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands) ^{r/}	Overtime Hours Manufac- turing	Total Housing Units Authorized (thousands)	New Business Incorporations ^{r/}
<u>1979</u>							
July	128.8	40.2	151.8	47.2	3.5	221.3	4,512
August	127.9	40.0	145.2	48.4	3.4	223.9	4,932
September	128.7	39.9	157.9	47.5	3.3	201.9	4,407
October	128.9	40.1	162.3	51.2	3.3	215.5	4,877
November	128.1	39.9	150.9	50.6	3.5	184.5	4,878
December	127.8	40.0	156.7	53.2	3.2	153.7	4,500
<u>1980</u>							
January	126.7	39.4	151.8	56.8	3.1	173.8	4,842
February	129.2	39.5	156.7	55.6	3.1	184.6	5,268
March	126.3	39.7	150.0	57.1	3.2	130.1	4,456
April	123.5	39.6	135.7	59.3	3.1	112.4	4,553
May	121.3	39.4	120.7	61.6	2.9	92.2	4,279
June	122.8	39.3	128.7	62.0	2.7	124.4	3,851
July	126.2	39.4	126.9	60.2	2.8	161.1	4,568
August	127.9	39.4	126.1	58.0	2.9	145.5	4,659
September	130.0	39.6	127.4	57.3	3.0	184.1	4,686
October	130.8	39.3	130.7	54.9	3.0	161.5	5,438
November	132.6	39.6	139.4	53.8	3.1	149.4	4,609
December	131.3	39.6	128.9	58.9	3.2	138.7	5,063
<u>1981</u>							
January	131.6	39.7	126.9	53.2	3.1	129.9	4,931
February	131.5	39.8	130.2	54.7	2.8	138.9	5,182
March	131.5	39.6	129.5	56.1	3.0	128.3	4,853
April	132.2	39.7	128.6	54.2	2.8	156.8	5,090
May	131.8	39.8	127.8	55.5	3.1	131.3	4,745
June	132.4	39.7	133.0	53.7	3.0	118.9	5,132
July	130.4	39.5	127.6	59.1	3.0	105.8	5,076
August	129.2	39.7	123.8	59.5	3.0	82.5	4,569
September	126.9	39.5	118.4	62.4	3.0	85.6	5,092
October	123.6	39.5	106.4	65.4	2.7	69.1	4,913
November	123.0	39.4	109.0	66.1	2.7	61.1	4,611
December	122.3	39.6	100.6	66.7	2.6	64.2	4,660
<u>1982</u>							
January	122.7	39.7	101.0	60.4	2.6	69.4	4,116
February	121.5	39.5	95.1	65.2	2.6	65.1	4,577
March	119.8	39.2	93.5	69.8	2.5	70.7	4,847
April	119.6	39.3	87.8	76.4	2.6	69.0	4,494
May	120.9	39.3	87.1	68.6	2.6	75.1	4,723
June	119.4	39.4	81.2	71.7	2.5	94.3	4,446
July	118.2	39.3	76.3	72.3	2.5	108.4	4,176
August	116.5	39.2	76.3	75.5	2.4	59.8	4,240
September	116.8	39.0	71.5	78.5	2.3	74.7	4,321
October	118.3	39.1	70.3	75.3	2.4	85.6	4,054
November	118.5	39.0	69.4	80.3	2.4	86.9 ^{r/}	4,431
December	120.0	38.9	69.8	76.0	2.4	121.0	4,596
<u>1983</u>							
January	122.0	39.2	71.7	68.1	2.4	137.9	4,257

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators					Other Indicators	
	Nonagri- cultural Employment ^{r/} (thousands)	Wages and Salaries in Mining, Manu- facturing and Construction (mil dol.)	Unemploy- ment Rate ^{r/}	Insured Unemployment Average Weeks Claimed ^{r/} (thousands)	Personal Income (mil dol.) ^{a/}	Taxable Sales (mil dol.) ^{b/}	Manufac- turing Employment ^{r/} (thousands)
<u>1979</u>							
July	9,683.3		6.0	280			2,011.3
August	9,729.8	42,778	6.3	278	232,650	33,468	2,015.3
September	9,759.9		6.5	278			2,010.1
October	9,780.2		6.2	290			2,017.7
November	9,831.4	44,261	6.0	293	240,180	34,832	2,031.0
December	9,845.3		6.1	299			2,030.2
<u>1980</u>							
January	9,816.9		5.9	312			2,025.7
February	9,878.3	45,261	6.1	325	248,487	35,459	2,031.9
March	9,883.5		6.0	337			2,029.7
April	9,857.9		6.9	346			2,017.9
May	9,838.9	45,632	7.2	362	251,650	34,634	2,005.3
June	9,812.1		7.4	388			1,993.2
July	9,762.8		6.9	404			1,987.0
August	9,806.5	46,669	7.4	395	261,197	35,736	1,967.4
September	9,835.9		7.2	412			1,994.0
October	9,886.8		7.1	416			2,004.5
November	9,900.0	49,837	7.4	382	272,878	36,855	2,006.4
December	9,925.1		6.3	393			2,007.0
<u>1981</u>							
January	9,966.3		7.3	345			2,020.8
February	9,957.5	48,760	7.4	370	274,969	37,732	2,017.7
March	9,961.2		7.1	368			2,015.4
April	10,012.4		7.1	356			2,026.3
May	10,028.0	51,610	6.7	344	283,748	38,914	2,033.7
June	10,044.5		7.0	350			2,036.6
July	10,021.5		7.2	354			2,040.9
August	10,028.4	52,813	7.0	366	294,060	39,509	2,031.8
September	10,016.6		7.5	380			2,023.8
October	10,010.8		8.1	385			2,020.3
November	9,963.0	54,434	8.0	413	301,146	38,924	2,003.0
December	9,945.0		8.6	459			2,000.9
<u>1982</u>							
January	9,930.7		8.7	412			1,987.0
February	9,921.3	53,457	8.9	442	301,003 ^{r/}	38,528	1,980.0
March	9,903.1		9.3	467			1,974.0
April	9,861.9		9.3	504			1,958.3
May	9,850.0	53,953 ^{r/}	9.6	508	308,458 ^{r/}	38,166	1,948.7
June	9,843.8		9.6	539			1,936.0
July	9,872.6		10.5	514			1,947.3
August	9,865.7	54,201 ^{r/}	10.3	542	313,625 ^{r/}		1,938.5
September	9,874.7		10.2	549			1,934.3
October	9,852.4		10.7	571			1,925.0
November	9,834.6	55,351	11.1	587	319,748		1,922.1
December	9,809.2		11.0	586			1,909.3
<u>1983</u>							
January	9,865.3		11.0	505			1,927.0
February	9,869.6		11.2				1,919.1

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

		Other Indicators						
		Consumer Price Index (1967=100)c/				California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)r/
		San Francisco		Los Angeles				
Year and Month	DOD Prime Contracts (mil dol.)b/	Wage Earner and Clerical Worker	All Urban ^{d/}	Wage Earner and Clerical Worker	All Urban ^{d/}			
1979								
July		--	--	216.8	214.7	27,380	28,715	13,158
August	3,392	218.6	218.3	219.6	217.5	27,864	29,326	12,432
September		--	--	223.0	220.7	27,517	28,360	12,524
October		220.8	221.5	224.0	221.8	28,191	28,613	11,971
November	3,423	--	--	225.8	224.2	27,628	29,341	12,723
December		229.0	230.2	229.9	228.0	28,396	29,951	12,955
1980								
January		--	--	235.0	232.6	28,763	30,657	13,103
February	3,449	240.0	240.7	240.0	237.6	29,315	29,968	13,296
March		--	--	243.9	241.3	29,691	29,037	12,966
April		242.8	243.5	247.8	244.6	28,966	30,185	12,032
May	3,350	--	--	252.6	249.1	29,091	29,577	10,019
June		247.7	248.0	253.4	250.1	29,203	29,049	9,407
July		--	--	251.5	248.7	29,414	29,714	11,788
August	3,617	251.4	251.0	250.1	247.3	29,979	29,981	12,002
September		--	--	251.6	249.6	30,175	30,939	11,489
October		252.6	251.9	254.9	252.6	30,961	30,809	12,024
November	3,513	--	--	258.4	255.5	31,832	30,802	11,345
December		255.7	254.9	262.2	258.7	32,213	30,041	10,684
1981								
January		--	--	262.7	259.4	32,168	28,806	9,935
February	4,176	261.6	260.5	265.0	261.6	31,730	28,371	11,078
March		--	--	266.5	263.3	31,822	28,066	9,904
April		270.9	270.3	269.1	265.5	32,050	29,062	11,906
May	3,980	--	--	270.7	267.3	33,120	28,542	11,254
June		274.3	274.0	271.7	267.9	33,882	27,891	11,958
July		--	--	276.3	272.2	34,365	27,533	10,635
August	5,017	287.2	287.9	278.6	274.8	35,035	27,385	9,487
September		--	--	282.9	279.3	35,306	28,537	11,280
October		295.6	297.0	284.9	281.3	35,082	27,124	11,001
November		--	--	285.5	281.8	35,173	27,684	10,676
December	4,007	292.7	294.0	286.1	282.3	35,539	28,060	10,562
1982								
January		--	--	289.8	285.6	36,213	28,359	10,806
February	7,292	249.9	295.8	289.4	285.6	36,674	27,290	10,284
March		--	--	290.4	286.6	37,646	28,117	10,428
April		297.8	298.8	290.5	286.8	36,517	27,517	10,285
May		--	--	290.6	287.1	38,064	27,821	10,089
June		303.4	304.6	293.9	290.1			9,534
July		--	--	293.0	289.3			10,099
August		302.8	304.3	292.8	289.1			9,796
September		--	--	291.7	288.2			9,560
October		301.3	302.4	292.8	289.5			9,144
November		--	--	291.6	288.5			9,129
December		293.8	293.6	288.0	285.3			9,349
1983								
January		--	--	288.0	285.5			

^{a/}Annual basis.^{b/}Quarterly data.^{c/}Not adjusted for seasonal variation.^{d/}Old series.^{r/}Revised

2943A

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1969</u>		<u>1970--Continued</u>	
January 1	Social security contribution rate increased to combined 9.6 percent.	November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.	November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.	November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.	December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.	December 20	13-week extended duration unemployment benefits in effect.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.	December 22	Prime rate reduced from 7 percent to 6-3/4 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.	<u>1971</u>	
October 27-February 1970	General Electric strike.	January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
<u>1970</u>		January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.	January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.	January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 21	Increased schedule of, interest rates on time deposits and certificates of deposit in effect.	January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.	January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
April 2-June 2	Teamster strike.	February 4	Rolls Royce bankruptcy announced.
May 6	Stock margin requirement cut from 80 percent to 65 percent.	February 9	Los Angeles earthquake.
July 1	Personal income tax surcharge removed.	February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
September 14-November 23	UAW strike against GM.	February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.	February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

<u>1971--Continued</u>		<u>1971--Continued</u>	
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.	November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to January 1, 1971. Contribution base raised to \$9,000 effective January 1, 1972.	November 14	Phase II of NEP in effect.
March 25	SST program terminated.	December 6	Stock margin requirements cut from 65 percent to 55 percent.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.	December 10	Revenue Act of 1971 signed into law.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.	December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.		Intent to devalue U.S. dollar announced.
May 17-18	Rail strike.		<u>1972</u>
June 1-July 27	Communications workers strike against Western Union.	January 17-February 20	West Coast dock strike continued.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.	February 1-March 15	Kaiser Steel Company strike.
June 29-July 16	Northern California construction strike.	July 1	20 percent increase in social security benefits signed into law. Effective September.
July 1-October 6	West Coast dock strike.	September 11	Opening of BART Fremont-Oakland line.
July 14-August 2	Telephone strike.	September 21	"Friends of Mammoth" decision.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.	November 24	Stock margin requirements raised to 65 percent.
July 16-August 2	Rail strike.		<u>1973</u>
July 31	Steel strike averted by accord on contract.	January 11	Phase III of NEP in effect.
August 2	Lockheed loan guarantee approval.	January 15	Discount rate raised from 4-1/2 percent to 5 percent.
August 3	Teamsters walkout in Northern California against building contractors.	January 27	Viet Nam cease fire signed.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.	January 29	Opening of BART Richmond-Oakland line.
October 1	East and Gulf Coast longshoremen's strike.	February 12	10 percent devaluation of U.S. dollar announced.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.	March 2	Major foreign currency exchanges closed.
		March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

<u>1973</u>		<u>1974--Continued</u>	
April 9-13	Consumer meat boycott.	April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.	June 17-August 4	San Diego construction strike.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.	June 17-July 21	Northern California construction strike.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.	July 1-Mid-August	Southern California construction strike.
June 14	60-day price freeze announced.	July 1	Transit strikes, San Francisco Bay Area.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.	August 2-October 21	Los Angeles area transit strike.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.	August 8	Resignation of President Nixon announced.
July 18	Phase IV announced.	August 14	FHA mortgage rate raised to 9-1/2 percent.
August 27	Prime rate at 9-3/4 percent in major institutions.		Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:
October 17	Arab nations announce reductions in oil shipment.		October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14....10 3/4 percent November 25....10 1/2 percent
November 5-December 18	TWA strike.	October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
<u>1974</u>		November 12-December 9	Coal strike.
January 3	Stock margin requirements cut from 65 percent to 50 percent.	December 9	Discount rate reduced from 8 percent to 7-3/4 percent.
February 1-11	Independent truckers strike, midwest and east coast.	<u>1975</u>	
February 15	Prime rate reduced to 9 percent.	January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
February 22	Prime rate reduced to 8-3/4 percent.	January 10	Oil Chemical Atomic Workers Union strike.
March 4	California minimum wage increased to \$2.00 per hour from \$1.65.	January 13	Prime rate reduced to 10 percent. Further major cuts as follows:
March 18	Arab oil embargo lifted.		January 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
March 27	Prime rate increased to 9 percent from 8-3/4 percent.	January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
March 28	Prime rate further increased to 9-1/2 percent.	February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.		
April 29	Prime rate up to 10-3/4 percent.		

CHRONOLOGY--Continued

1975--Continued

March 10 Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.

March 24 Prime rate reduced to 7-1/2 percent by most major banks.

March 25 King Faisal assassinated.

March 29 Tax reduction act signed into law.

May 19 Prime rate reduced to 7-1/4 percent by several major banks.

June 10 Prime rate reduced to 7 percent by most banks.

July 18 Prime rate increased to 7-1/4 percent. Further gains as follows:
 July 25.....7-1/2 percent
 August 11.....7-3/4 percent
 September 15....8 percent

September 1 National Airlines strike.

October 16 Reserve requirement on time deposits reduced from 3 percent to 1 percent.

October 24 Prime rate reduced to 7-3/4 percent. Further reductions as follows:
 October 31.....7-1/2 percent
 November 21.....7-1/4 percent

December 5-19 United Airlines strike.

1976

January 12 Prime rate lowered to 7 percent.

January 19 Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.

January 21 Prime rate reduced to 6-3/4 percent.

April 1-3 Teamsters strike.

April 9-June 4 Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.

April 21 Rubber workers strike.

July 20-August 2 Cannery workers strike.

August 2 Prime rate reduced to 7 percent. Further reductions as follows:
 October 4.....6-3/4 percent
 October 29.....6-1/2 percent
 December 10....6-1/4 percent

1976--Continued

September 15-October 13 Auto workers strike.

October 18 California minimum wage raised to \$2.50 per hour.

December 22 Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16 Prime rate raised to 6-1/2 percent.

May 31 Prime rate raised to 6-3/4 percent.

August 22 Prime rate raised to 7 percent.

August 30 Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.

September 16 Prime rate raised to 7-1/4 percent.

October 1-November 24 Longshoremen's strike against East and Gulf Coast ports.

October 7 Prime rate raised to 7-1/2 percent.

October 10-January 4 IAM-Lockheed strike.

October 24 Prime rate raised from 7-1/2 percent to 7-3/4 percent.

October 26 Discount rate raised from 5-3/4 percent to 6 percent.

December 6-March 24 United Mine Workers strike.

1978

January 1 U.S. minimum wage increased to \$2.65 per hour.

January 9 Discount rate raised from 6 percent to 6-1/2 percent.

January 10 Prime rate raised to 8 percent.

February 28 FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.

April 1 California minimum wage increased from \$2.50 to \$2.65 per hour.

April 1-May 28 United Airlines strike.

May 4 Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

<u>1978--Continued</u>		<u>1978--Continued</u>	
May 8	California savings and loan associations raised mortgage rates from 9-3/4 percent to 10 percent.	October 12	Prime rate raised from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.	October 15	Tax cut and energy bills passed by Congress.
May 23	Federal funds rate increased to 7-1/2 percent.	October 16	Discount rate raised from 8 percent to 8-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.	October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.	October 24	Prime rate raised from 10 percent to 10-1/4 percent.
June 6	Proposition 13 approved by California voters.		California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
June 16	Prime rate raised to 8-3/4 percent.	October 24	Phase II announced: voluntary guidelines on wages and prices.
June 20	OPEC announced a freeze on crude oil prices until December 16.	November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.		Prime rate raised to 10-1/2 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.	November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
June 30	Prime rate raised to 9 percent.	November 13	Prime rate raised from 10-3/4 percent to 11 percent.
July 10	Discount rate raised to 7-1/4 percent.	November 24	Prime rate raised to 11-1/2 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.	November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
August 20	Retail clerks union strike in Southern California.	December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
August 21	Discount rate raised to 7-3/4 percent.	December 19	Federal funds rate raised to 10 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.	December 20	Prime rate raised to 11-3/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.	<u>1979</u>	
September 15	Prime rate raised to 9-1/2 percent.	January 1	U.S. minimum wage increased to \$2.90 per hour.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.	January 13	Prime rate reduced to 11-1/2 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.	March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
		March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

CHRONOLOGY--Continued

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7.	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26- September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31- November 21	BART strike.
September 4	Federal funds rate raised from 11-1/2 percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 17	Three percent discount rate surcharge imposed.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent. Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 8	Discount rate surcharge reimposed.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.

CHRONOLOGY--Continued

<u>1980--Continued</u>		<u>1981</u>	
July 28	Discount rate reduced to 10 percent.	January 1	Minimum wage raised from \$3.10 to \$3.35.
August 5	Prime rate raised to 11 percent.	January 6	Prime lowered to 20 percent.
August 27	Prime rate raised to 11-1/2 percent.	January 20	American hostages released from Iran.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.	January 20	Ronald Reagan inaugurated as 40th President of the U.S.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.	January 28	Deregulation of oil and gas industry announced, effective immediately.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.	January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.	February 16	General Motors and Ford rebate plans announced.
October 2	Prime raised from 13 to 13-1/2 percent.	February 23	Prime rate lowered to 18 percent.
October 3	Prime raised to 14 percent.	March 2	Prime rate lowered to 18-1/2 percent.
October 15	AFTA workers return to work.	March 10	Prime rate lowered to 18 percent.
October 23	Screen Actors Guild strike ends.	March 16	Prime rate lowered to 17-1/2 percent.
October 30	Prime raised from 14 to 14-1/2 percent.	March 18	Prime rate lowered to 17 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.	March 26	United mine workers strike.
November 14	PSA pilots strike ends.	April 13	Prime rate raised to 17-1/2 percent.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.	April 29	Prime rate raised to 18 percent.
November 21	Prime raised to 17 percent.	May 4	Prime rate raised to 19 percent.
November 28	Prime raised to 17-3/4 percent.	May 5	Discount rate raised from 13 percent to 14 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.	May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.	May 11	Prime rate raised to 19-1/2 percent.
December 11	Prime raised to 20 percent.	May 22	Prime rate raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.	May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
December 23	Prime lowered from 21 to 20-1/2 percent.	June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

<u>1981--(Continued)</u>		<u>1981--(Continued)</u>	
June 8	Coal miners end 72 day strike and ratify a 40-month contract.	December 12	Martial law imposed in Poland.
		<u>1982</u>	
July 8	Prime rate raised to 20-1/2 percent.	January 22	Federal funds rate raised to 13-1/2 percent.
August 3	Air traffic controller's strike.	January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
August 14	President Reagan signs both the tax- and budget-cut bills into law.	January 27	Federal funds rate raised to 13-3/4 percent.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.	February 2	Prime rate raised to 16-1/2 percent by Citibank and Crucker.
September 1	Prime rate lowered to 20 percent.	February 18	Prime rate increased to 17 percent.
September 21	Prime rate lowered to 19-1/2 percent.	February 24	Prime rate cut back to 16-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.	March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
October 6	Prime rate lowered to 19 percent.	March 8	Prime rate lowered to 16 percent.
	Egyptian President Sadat assassinated.	March 16	Prime rate back up to 16-1/2 percent.
October 13	Prime rate lowered to 18 percent.	April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at \$34/barrels.
October 30	OPEC price set at \$34.00/barrel--the Saudi benchmark.	April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
November 1	Fassbook interest rate raised 1/2 percent to 5-3/4 percent.	April 12	General Motor and United Auto Workers labor agreement approved.
November 2	Fed discount rate cut from 14 percent to 13 percent.	April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
	Prime rate lowered to 17-1/2 percent.	May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
November 10	Prime rate lowered to 17 percent.	May 13	Braniff Air Lines ceases operation.
November 13	Prime rate lowered to 16-1/2 percent.	June 25	Secretary of State Alexander Haig resigns.
	FHA mortgage rate lowered to 15-1/2 percent.	June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.
November 16	Prime rate lowered to 16 percent.		
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.		
December 1	Prime rate lowered to 15-1/2 percent.		
December 4	Fed discount rate lowered from 13 percent to 12 percent.		

CHRONOLOGY--Continued

<u>1982--Continued</u>		<u>1982 (Continued)</u>	
July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.	December 14	Introduction of money market deposit accounts by banks and S&Ls.
		<u>1983</u>	
July 27	Prime rate lowered to 15-1/2 percent.	January 5	Super NOW accounts introduced.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.	January 11	Prime rate lowered to 11 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.	January 31	Independent truckers strike begins.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.	February 10	Independent truckers strike end.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.	February 15	Toyota/GM agreement to build a small car in late 1984.
August 19	The stock market trading soared to a record 132,690,000 shares.	February 25	Prime rate lowered to 10-1/2 percent.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.	March 14	OPEC sets \$29 per barrel benchmark price and production quota of 17.5 million barrels.
September 19	National Football League players strike began. Railroad strike involving locomotive engineers began.		
September 23	Railroad strike ends.		
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.		
October 7	Prime rate lowered to 13 percent.		
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.		
October 15	Prime rate lowered to 12 percent.		
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.		
November 22	Discount rate cut from 9-1/2 percent to 9 percent.		
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.		
December 13	Discount rate cut to 8-1/2 percent.		

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	News business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

<u>Initial Trough</u>	<u>Peak</u>	<u>Terminal Trough</u>	<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		

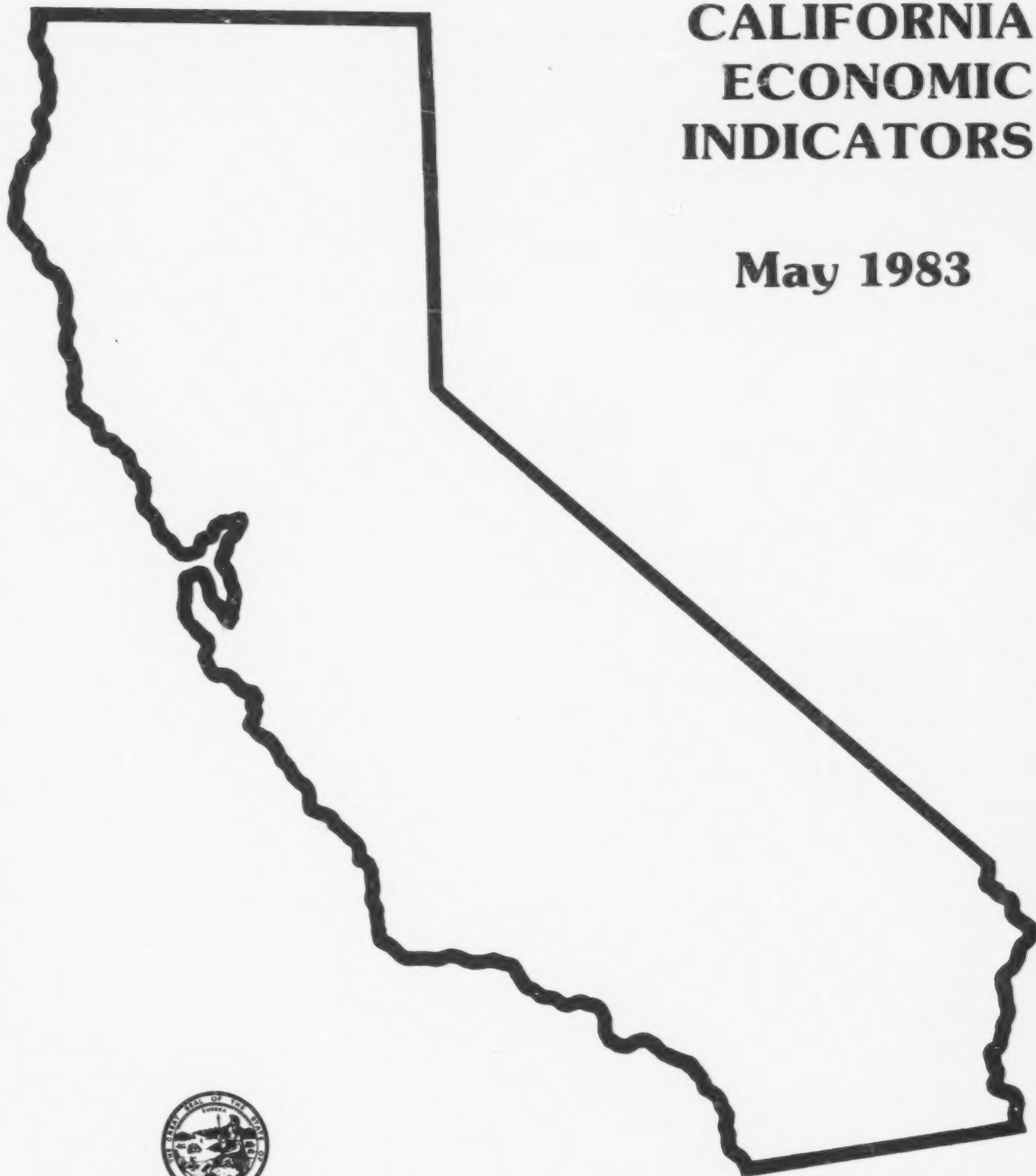
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CALIFORNIA ECONOMIC INDICATORS

May 1983



DEPARTMENT OF FINANCE

BEST AVAILABLE COPY

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- . review of economic developments
- . current California economic data table
- . economic indicator charts
- . basic data for California economic series
- . chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are \$5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

<u>Beginning Subscription Date</u>	<u>Prorated Amount Due</u>
January	\$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

REVIEW OF ECONOMIC DEVELOPMENTS

The California economy continues to recover from the recession. Jobs are increasing, construction activity is rising, the unemployment rate and inflation rate have fallen, and the California index of leading economic indicators has climbed for seven consecutive months. The only negative aspects about the current situation are that the pace of improvement is slower than has occurred in prior recoveries, and progress towards more normal economic growth has not been steady and continuous.

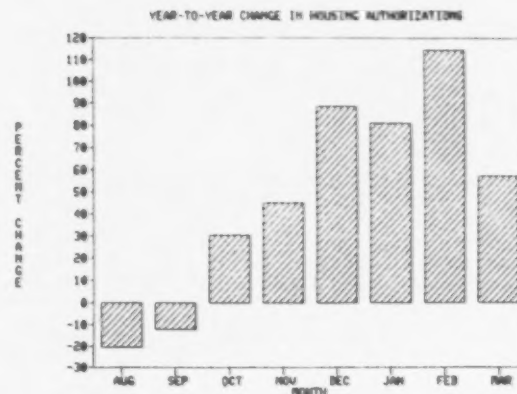
Nonagricultural employment rose sharply in April, after being virtually flat throughout the first quarter. Construction employment, which was up 3.6 percent, showed the greatest improvement from the previous month. Other sectors showing strong growth over March included services (+0.7%), finance (+0.5%) and durable goods manufacturing employment (+0.5%). Total jobs last month were up 95,300, or 1.0 percent, from the 1982 low reached in December. Despite the increase in total nonagricultural employment, some sectors--primarily government, mining, and nondurable manufacturing--are continuing to post declines.

The unemployment rate has fallen rapidly during recent months. From the February peak of 11.2 percent, the rate dropped to 10.6 percent in March, and then to 9.8 percent in April. Nationally, the unemployment rate moved from 10.4 percent to 10.2 percent between February and April. Much of this State's improvement was due to a flat or declining civilian labor force, rather than rising civilian employment. The steep drop in California unemployment, particularly given only modest change nationwide, suggests that the household survey did not adequately measure the labor force. Thus, the number of unemployed may have been undercounted in April. A modest rise in the next two or three months would not be surprising.

Housing units authorized by permits were at a seasonally adjusted annual rate of 116,900 in March. While the number was below the January and February average of 136,300 units, it nonetheless represented a 57 percent rise compared to March 1982. Real and psychological barriers to increased home buying were eroded as fixed mortgage interest rates fell to around 12-13 percent, and adjustable rates to about 11-12 percent.

The amount of money available for mortgage lending continues to grow. During the first three months of 1983, California savings and loan associations received \$10.6 billion in net new savings, surpassing the 1976 annual record of \$7.2 billion. According to the Federal

Home Loan Bank of San Francisco, the continued popularity of MMDAs will help net new savings in the 11th District reach \$14-\$17 billion in 1983, of which California should represent over 90 percent.



The growth in new nonresidential construction activity continues to be below last year's pace. During the first quarter of 1983, the value of such building authorized by permits totalled \$1.9 billion--5 percent below the amount in the same quarter of 1982. Despite improving economic conditions, a slowdown in nonresidential construction has been expected for some time. Excess industrial capacity and a general oversupply of commercial office space continue to be the primary factors limiting new construction.

Inflation remains at extremely low levels. During the first three months of 1983, the Los Angeles consumer price index (CPI) rose by less than 0.3 percent compared to the same period in 1982. During February of this year, the San Francisco CPI was up only 0.5 percent on a year-over-year basis. As recently as eight months ago, inflation was at double-digit rates. Declines in the housing, apparel and transportation components have been primarily responsible for bringing the overall rate of price increases down. Food and medical care costs, while growing at a slower pace than in 1982, are exerting upward pressure on the CPI. If the percentage gain in the California CPI during 1983 is less than 2 percent, as currently forecast by the Department of Finance, the annual rate would be at the lowest level since 1964.

CURRENT CALIFORNIA ECONOMIC DATA

	1983			1982	1982		Percent Change Mar. 1982- Mar. 1983
	March	Feb.	Jan.	Dec.	Mar.	Feb.	
<u>Employment^{a/}</u>							
Civilian employment (000) - - - - -	12,216	12,263	12,262	12,300	12,046	12,038	1.4
Unemployment (000) - - - - -	1,290	1,370	1,353	1,350	1,122	1,070	15.0
Unemployment rate - - - - -	10.6	11.2	11.0	11.0	9.3	8.9	--
<u>Nonagricultural wage and salary employment^{b/} (000)- - - - -</u>							
	9,821.4	9,819.4	9,821.8	9,763.1	9,903.1	9,921.3	-0.8
Mining - - - - -	47.1	47.4	47.3	47.0	52.1	52.5	-9.6
Construction - - - - -	370.9	369.5	375.4	355.9	384.5	391.9	-3.5
Manufacturing - - - - -	1,908.7	1,919.4	1,919.4	1,902.1	1,974.0	1,980.0	-3.3
Aerospace ^{c/} - - - - -	635.8	636.6	638.8	641.1	641.8	639.1	-0.9
Transportation and public utilities -	534.3	533.5	536.7	533.9	549.5	551.1	-2.8
Trade - - - - -	2,293.6	2,284.3	2,273.7	2,264.7	2,290.8	2,291.0	0.1
Finance, insurance, and real estate -	647.8	648.1	647.9	644.6	648.0	647.4	-0.0
Services - - - - -	2,299.3	2,293.8	2,297.4	2,291.3	2,265.9	2,264.5	1.5
Government - - - - -	1,719.7	1,723.4	1,724.0	1,723.6	1,738.3	1,742.9	-1.1
Federal - - - - -	323.9	325.4	325.0	325.4	326.5	327.1	-0.8
State and local - - - - -	1,395.8	1,398.0	1,399.0	1,398.2	1,411.8	1,415.8	-1.1
<u>Hours and Earnings, Manufacturing</u>							
Average weekly hours - - - - -	39.4	39.3	39.1	39.8	39.2	39.1	0.5
Average weekly earnings - - - - -	\$371.54	\$369.03	\$368.71	\$376.11	\$355.54	\$353.46	4.5
Average hourly earnings - - - - -	\$9.43	\$9.39	\$9.43	\$9.45	\$9.07	\$9.04	4.0
Index of Leading Indicators - - - - -	124.7	123.9	122.0	120.0	119.8	121.5	4.1
<u>Trade</u>							
Retail sales (millions) - - - - -	n.a.	\$9,602 ^p	\$9,892	\$13,456	\$10,493	\$9,433	n.a.
New auto registrations (number) - - - -	n.a.	62,661	75,427	86,482	80,546	57,883	n.a.
<u>Business</u>							
Business failures (number) - - - - -	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business liabilities (000) - - - - -	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New incorporations (number) - - - - -	4,704	4,630	4,257	4,596	4,847	4,577	-3.0
<u>Consumer Price Index, all items^{d/}</u>							
California average (1967=100) - - - - -	--	293.2	--	291.0	--	291.9	--
San Francisco (1967=100) - - - - -	--	297.3	--	293.9	--	298.8	--
Los Angeles (1967=100) - - - - -	287.1	286.8	285.6	285.3	286.4	285.4	0.2
San Diego (1967=100) - - - - -	327.5	--	324.9	--	319.0	--	2.7
<u>Production</u>							
Petroleum (000 barrels daily) - - - - -	n.a.	1,101.4	1,094.7	1,093.5	1,083.2	1,098.5	n.a.
Portland cement (000 short tons) - - - -	450.0	397.2	434.4	479.7	460.6	495.3	-2.3
Raw steel (000 net tons) - - - - -	81.6	66.6	64.5	39.9	195.9	150.9	-58.3
Selected redwood mill shipments (mil. FBM)	77.6	87.2	100.1	47.7	82.2	67.6	-5.6
<u>Construction</u>							
Private residential housing units authorized, SAAR (000) - - - - -	116.9	141.7	130.9	127.5	74.3	66.0	57.3
Nonresidential building authorized, valuation (millions) - - - - -	\$638.7	\$535.1	\$774.6	\$841.0	\$885.5	\$644.6	-27.9

^{a/}Adjusted for seasonal variation.^{b/}Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.^{c/}The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.^{d/}All urban series. New basis since January 1983.^{p/}Preliminary estimate.^{r/}Revised.

n.a. Not available

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

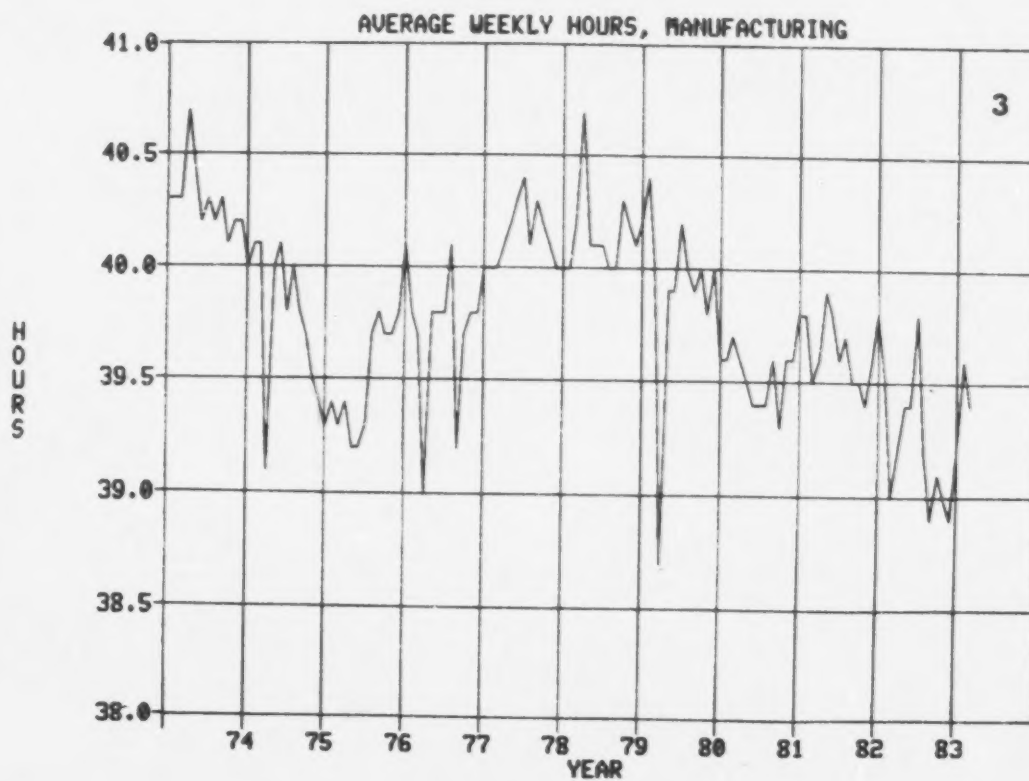
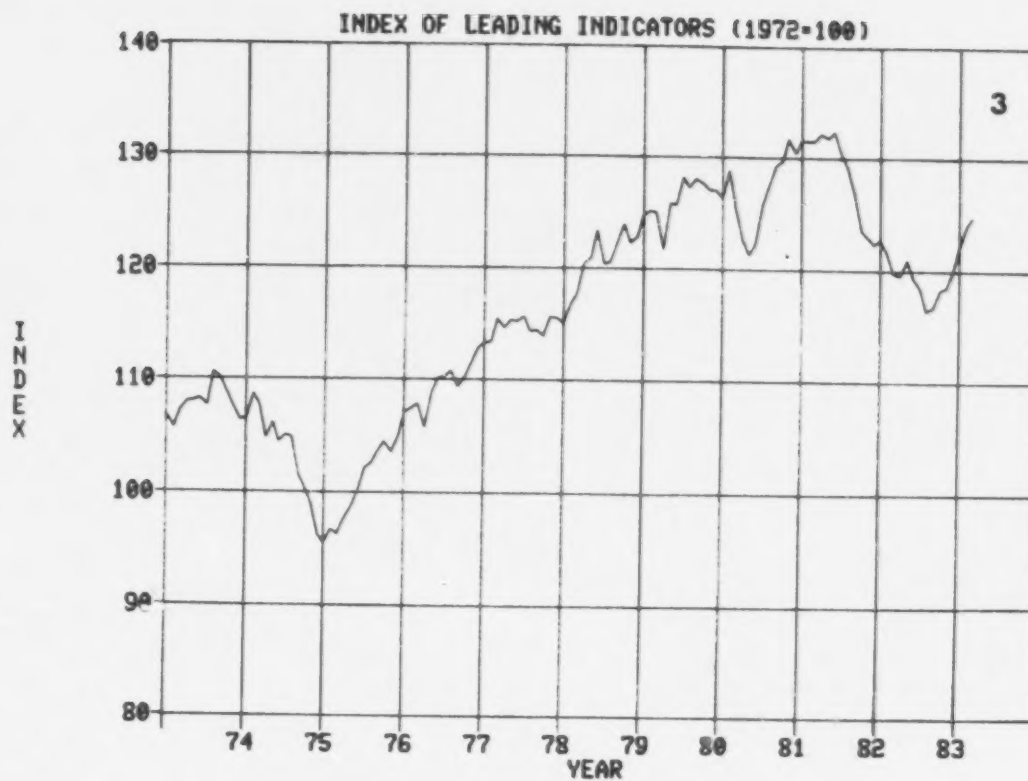
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

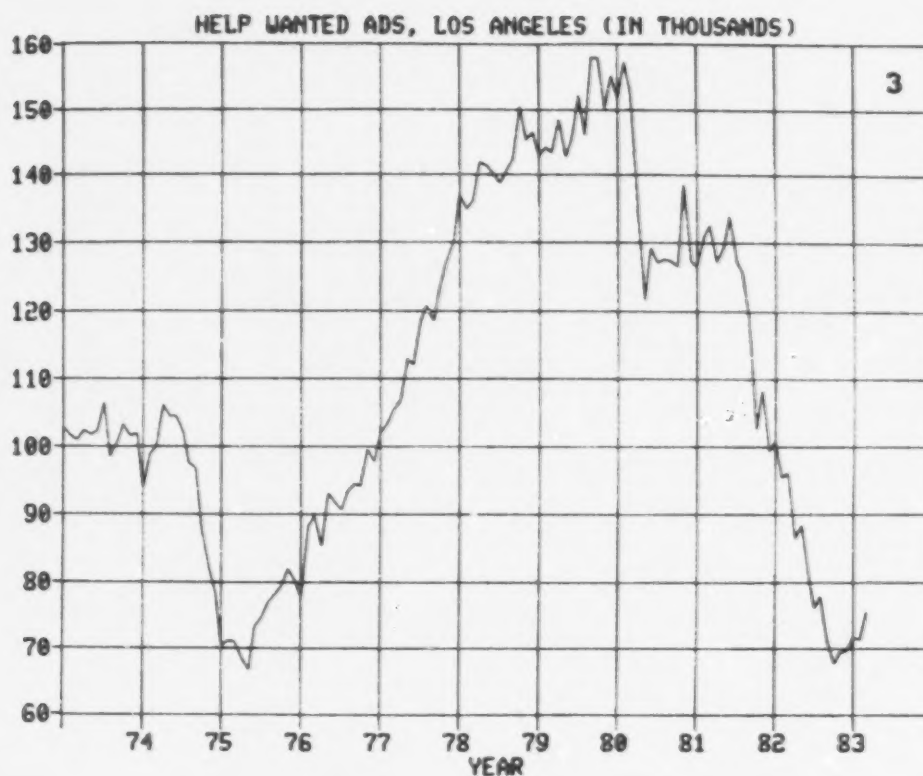
Standard Abbreviations

n.a. Not available
e Estimate

p Preliminary
r Revised

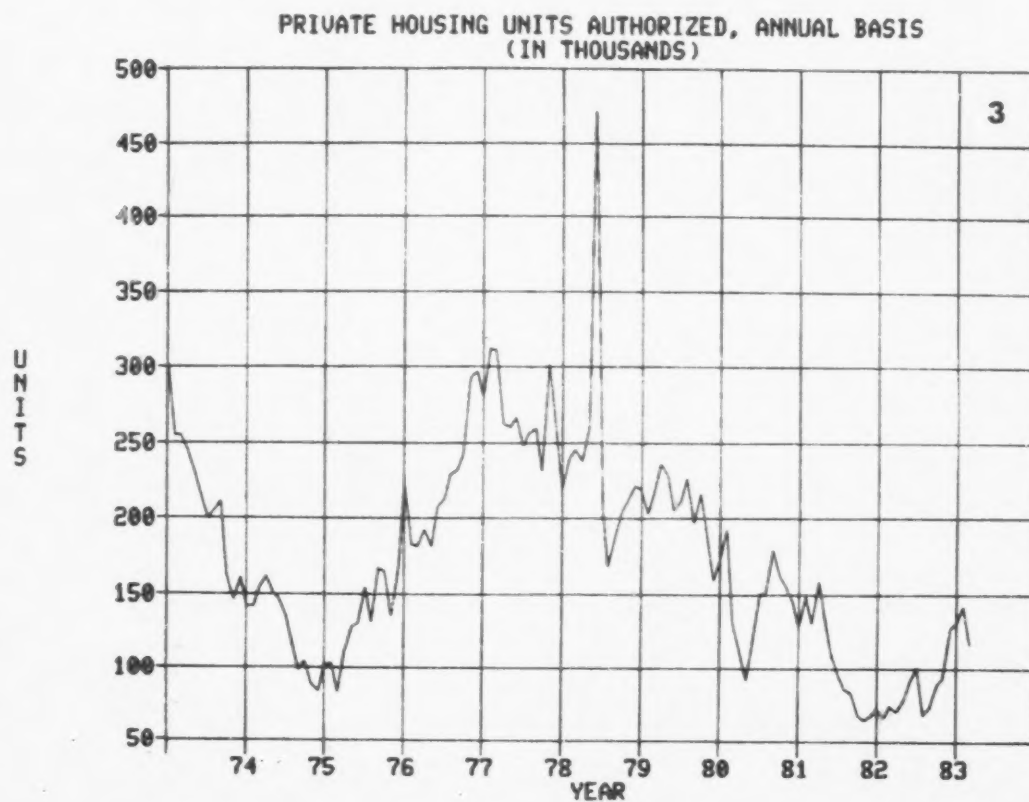
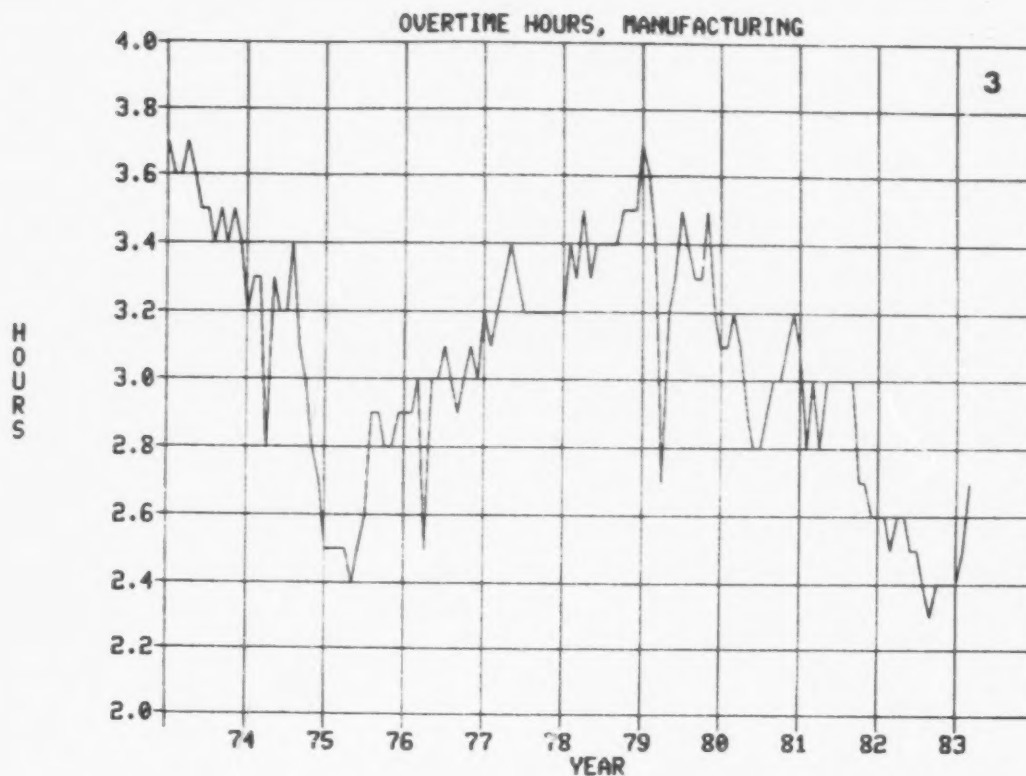


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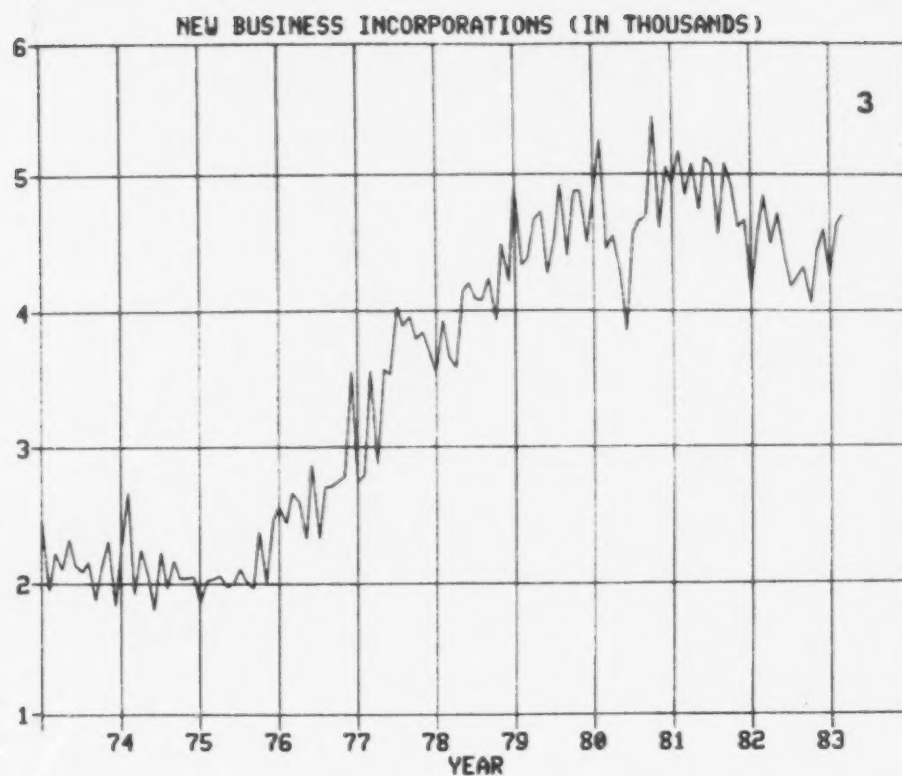


CLAIMS

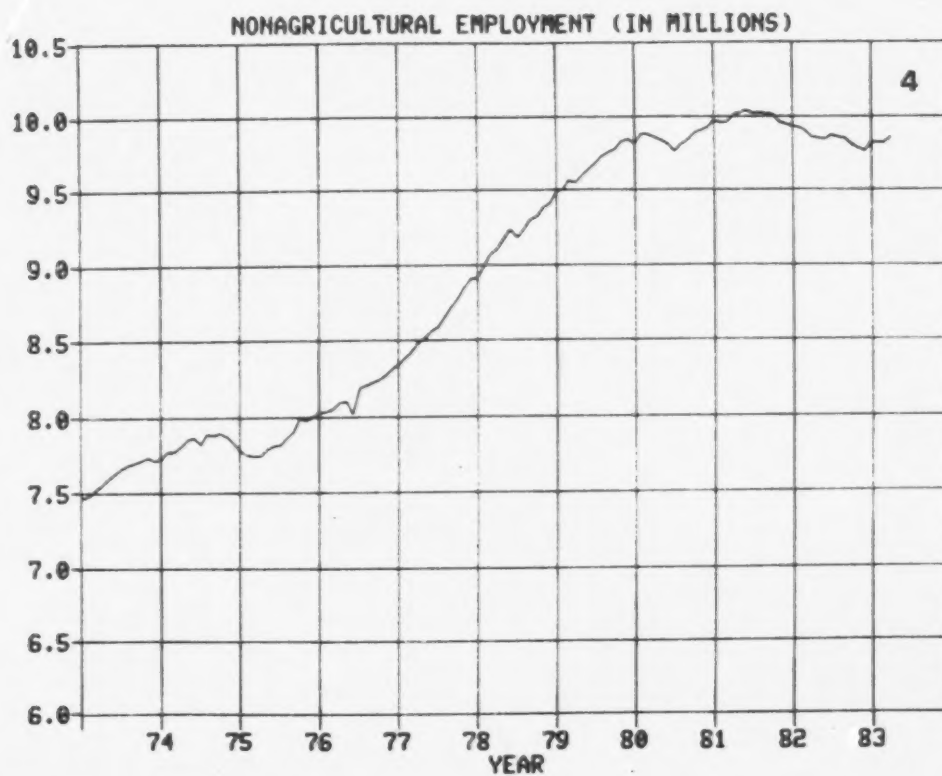


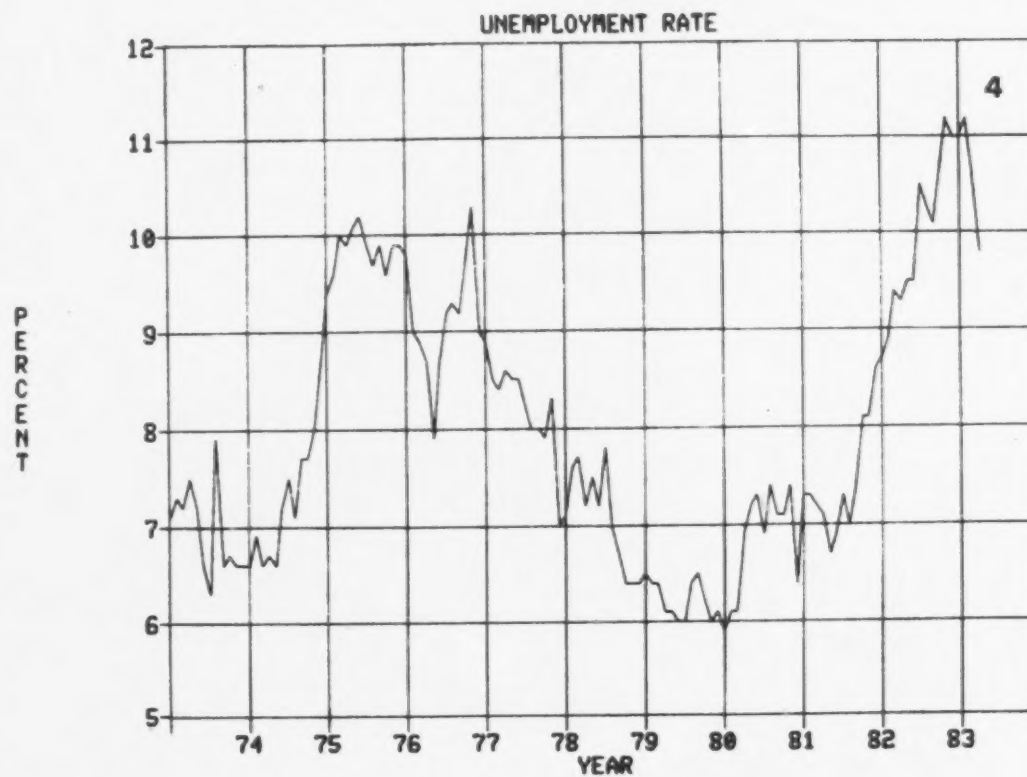


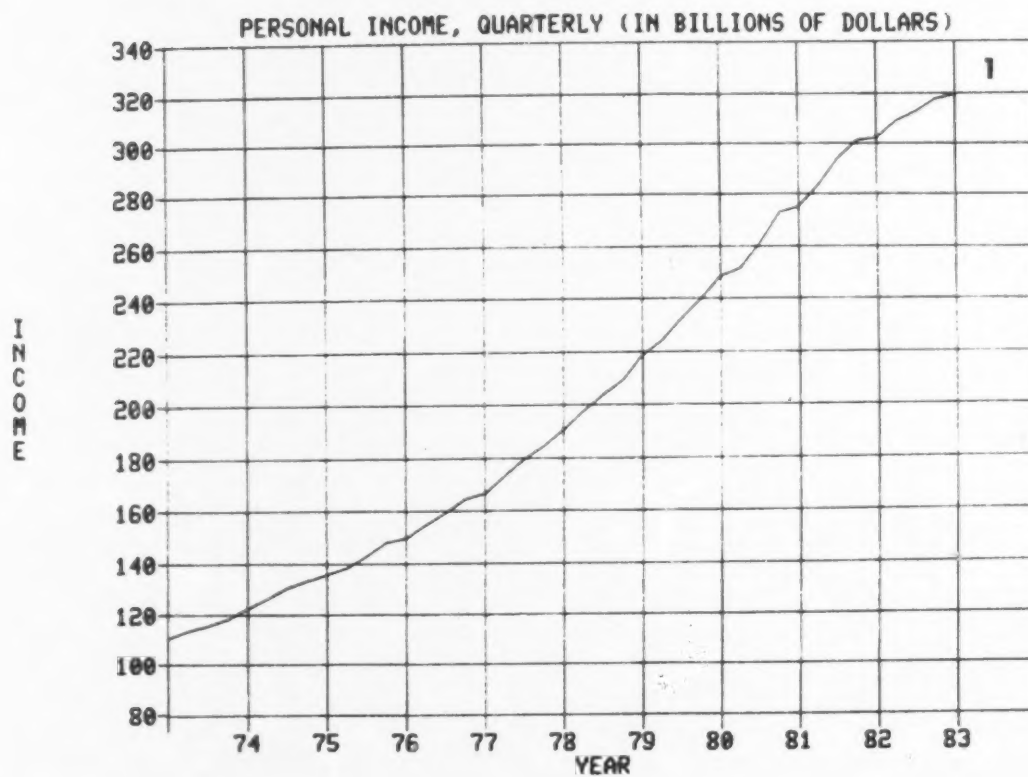
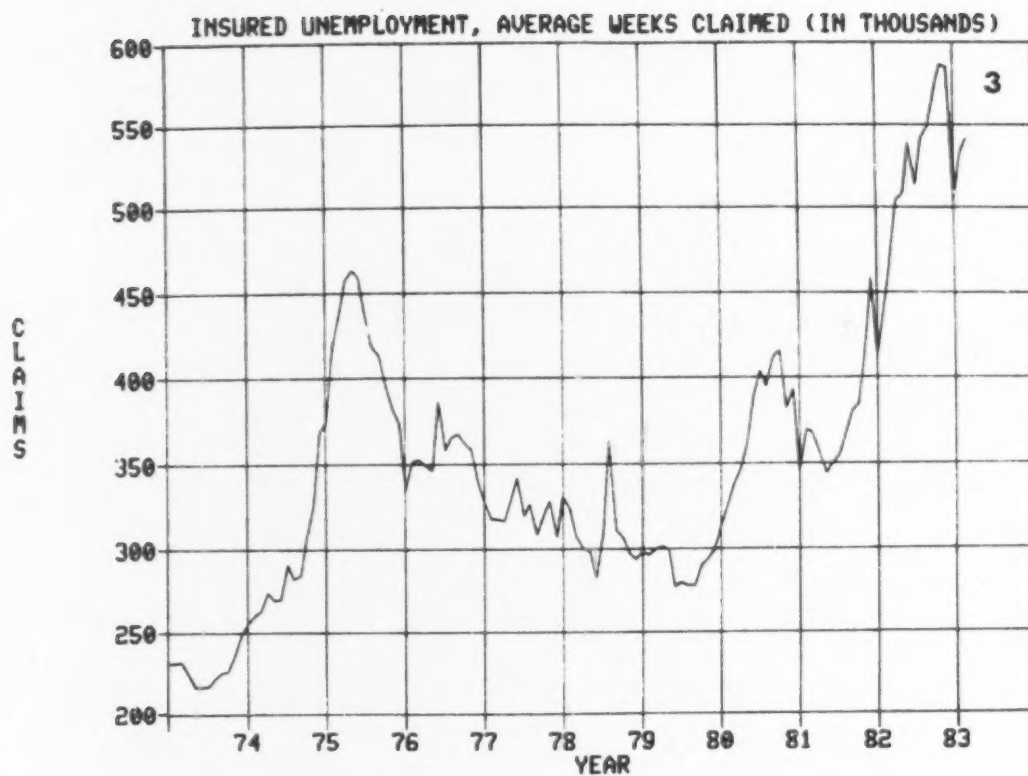
INCORPORATIONS



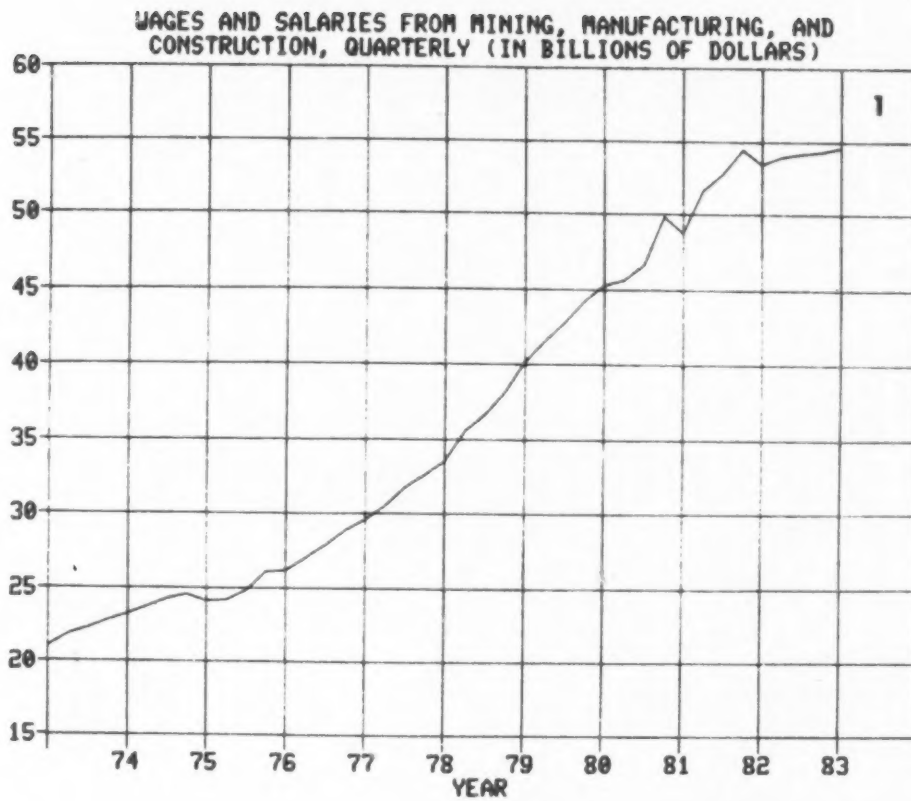
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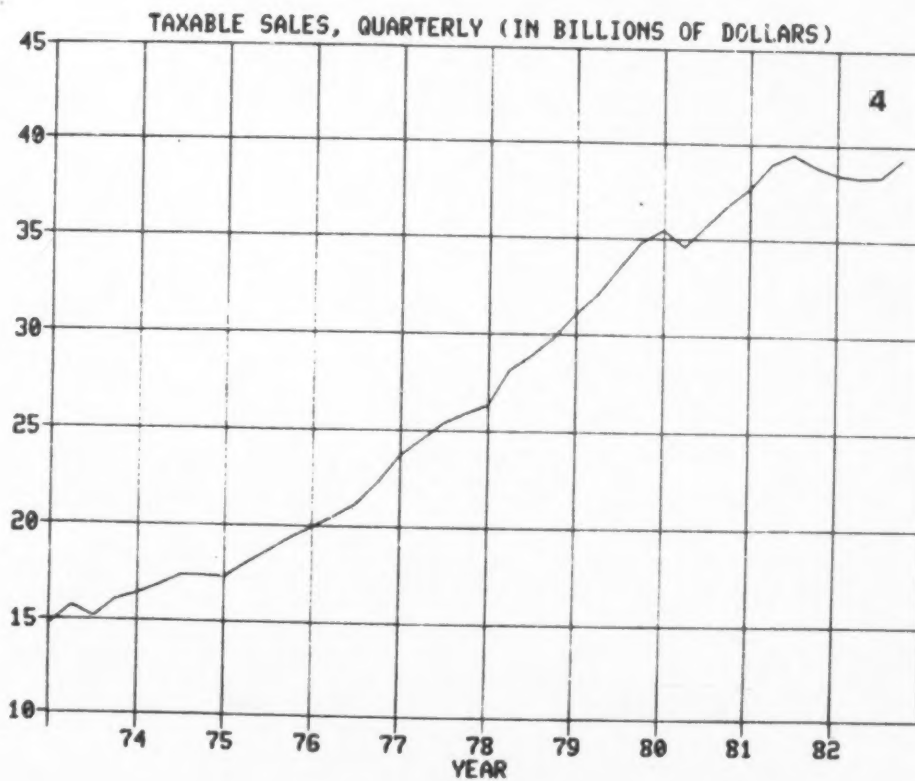




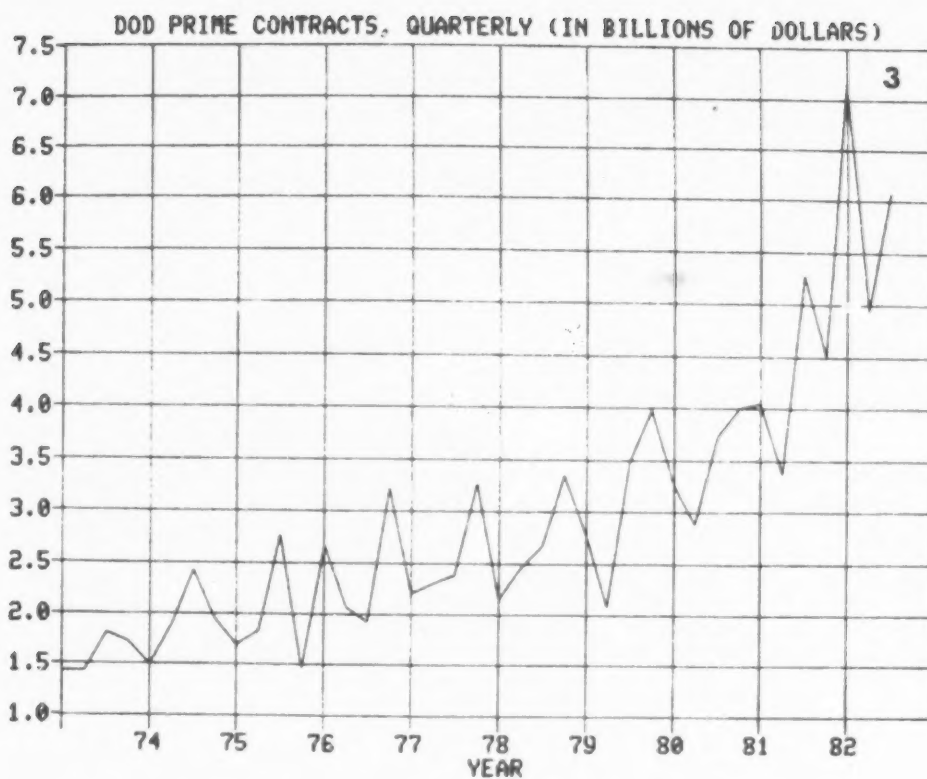
WAGES AND SALARIES



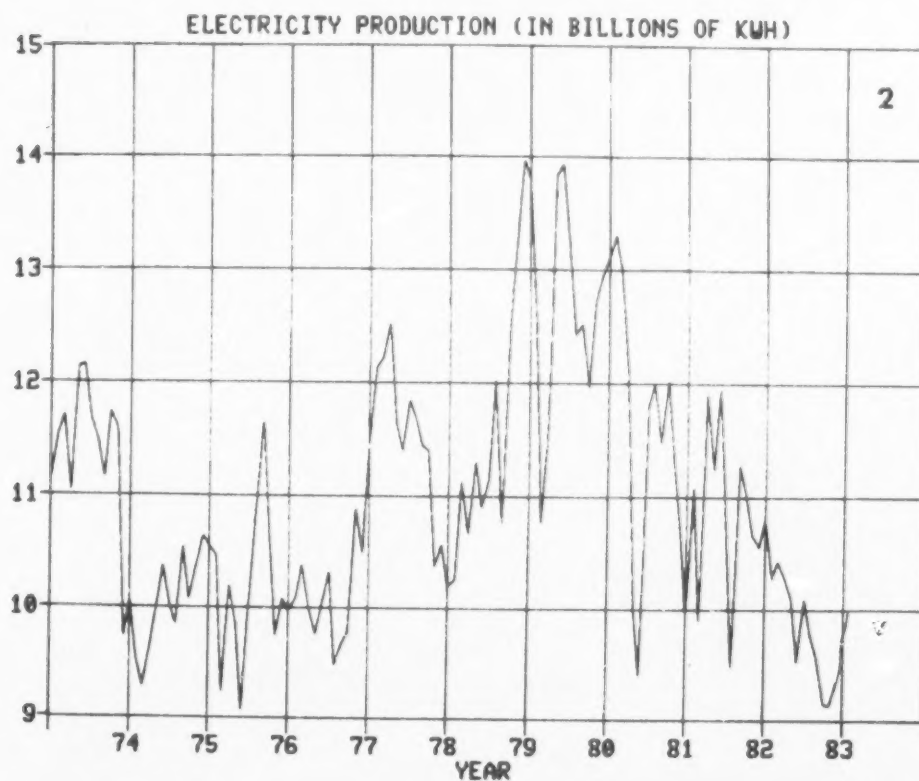
SALES



CONTRACTS

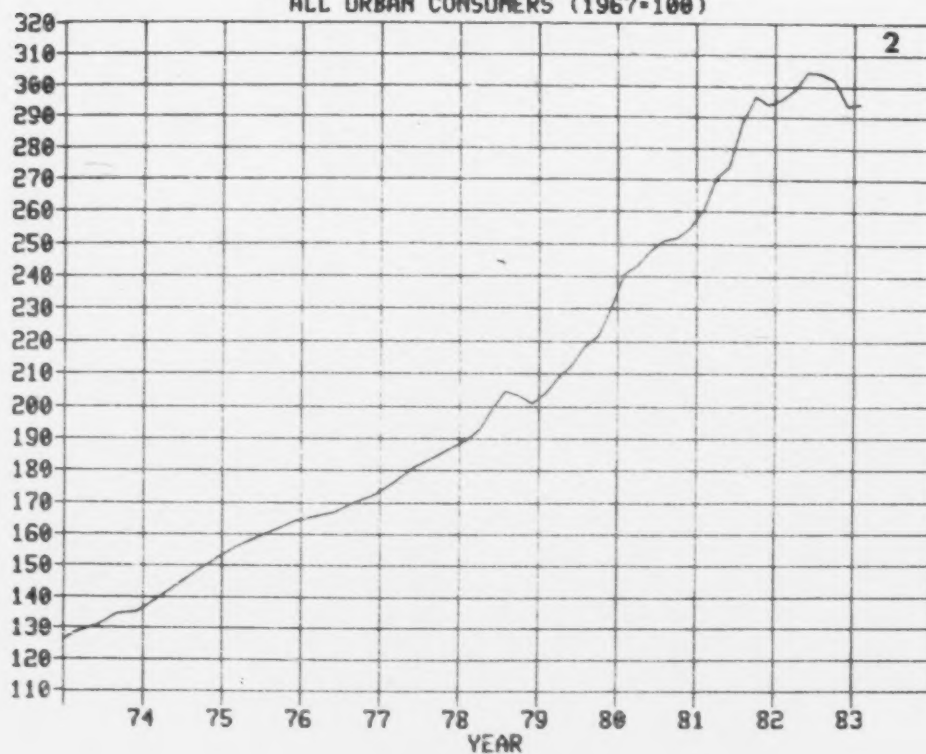


PRODUCTION



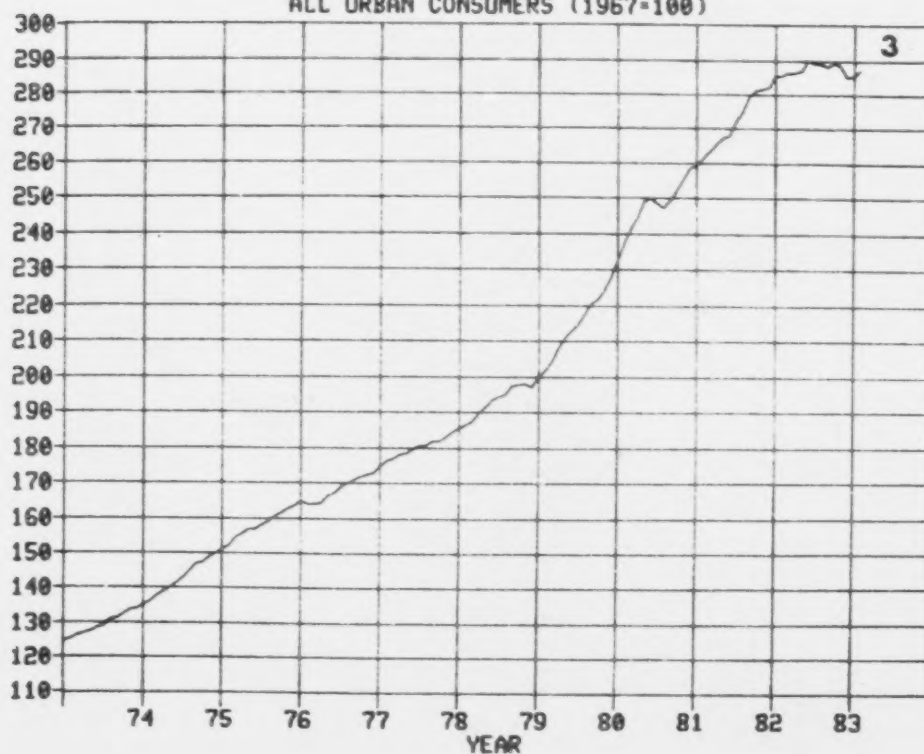
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CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)

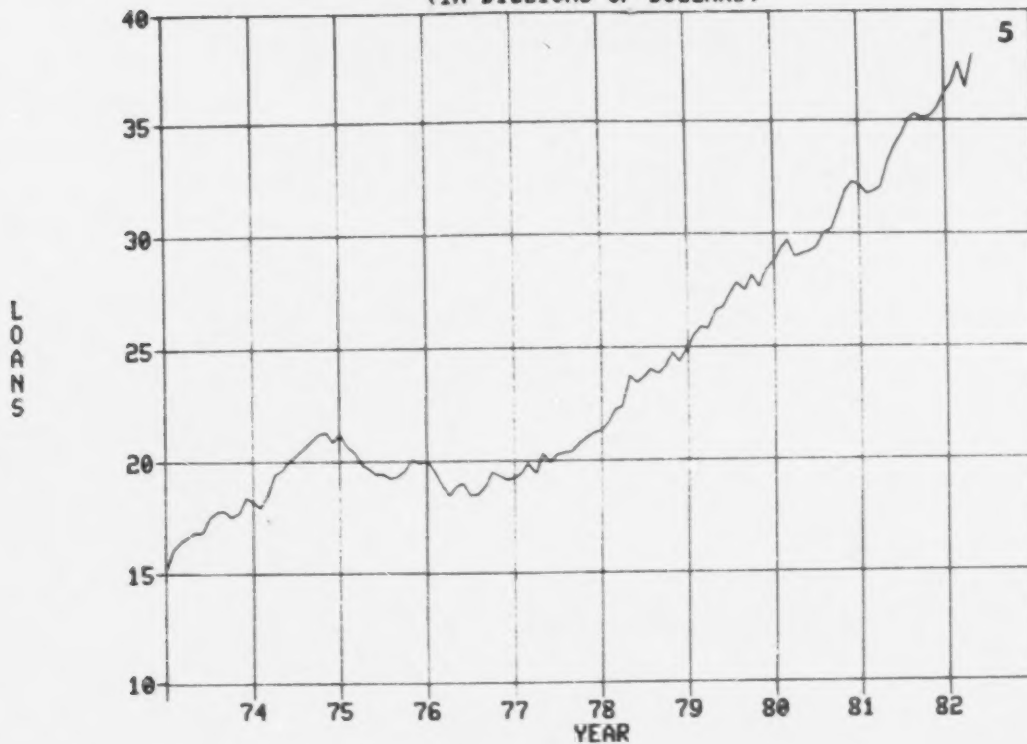


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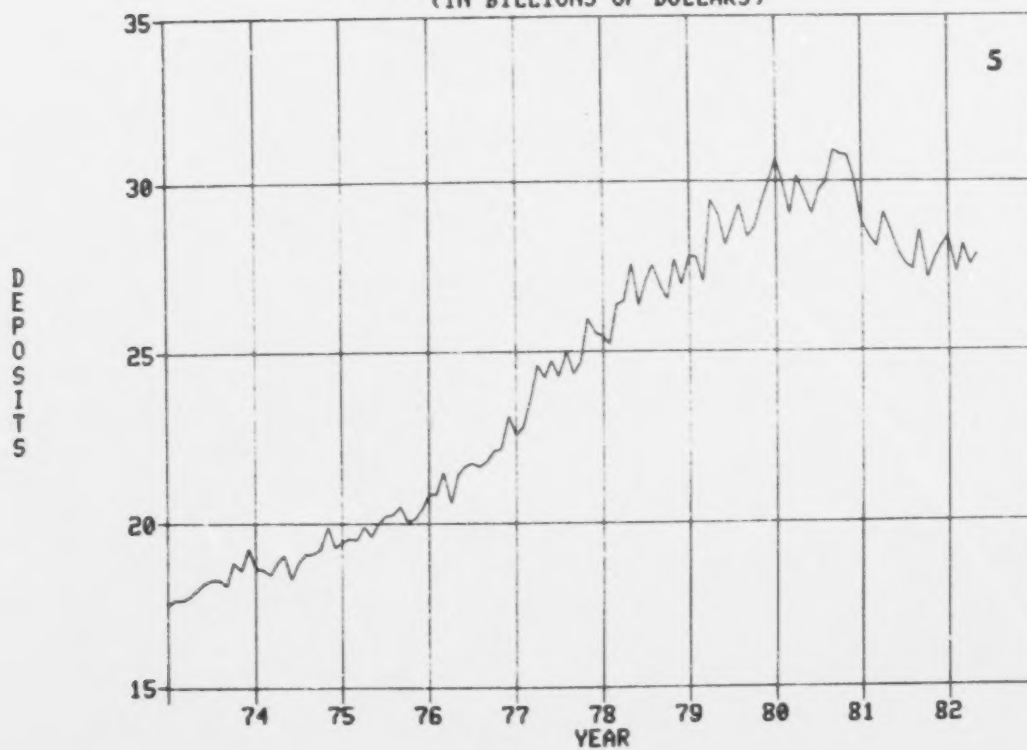
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufac- turing	Leading Indicators				
			Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufac- turing	Total Housing Units Authorized (thousands)	New Business Incorporations
1980							
January	126.7	39.4	151.8	56.8	3.1	173.8	4,842
February	129.2	39.5	156.7	55.6	3.1	184.6	5,268
March	126.3	39.7	150.0	57.1	3.2	130.1	4,456
April	123.5	39.6	135.7	59.3	3.1	112.4	4,553
May	121.3	39.4	120.7	61.6	2.9	92.2	4,279
June	122.8	39.3	128.7	62.0	2.7	124.4	3,851
July	126.2	39.4	126.9	60.2	2.8	161.1	4,568
August	127.9	39.4	126.1	58.0	2.9	145.5	4,659
September	130.0	39.6	127.4	57.3	3.0	184.1	4,686
October	130.8	39.3	130.7	54.9	3.0	161.5	5,438
November	132.6	39.6	139.4	53.8	3.1	149.4	4,609
December	131.3	39.6	128.9	58.9	3.2	138.7	5,063
1981							
January	131.6	39.7	126.9	53.2	3.1	129.9	4,931
February	131.5	39.8	130.2	54.7	2.8	138.9	5,182
March	131.5	39.6	129.5	56.1	3.0	128.3	4,853
April	132.2	39.7	128.6	54.2	2.8	156.8	5,090
May	131.8	39.8	127.8	55.5	3.1	131.3	4,745
June	132.4	39.7	133.0	53.7	3.0	118.9	5,132
July	130.4	39.5	127.6	59.1	3.0	105.8	5,076
August	129.2	39.7	123.8	59.5	3.0	82.5	4,569
September	126.9	39.5	118.4	62.4	3.0	85.6	5,092
October	123.6	39.5	106.4	65.4	2.7	69.1	4,913
November	123.0	39.4	109.0	66.1	2.7	61.1	4,611
December	122.3	39.6	100.6	66.7	2.6	64.2	4,660
1982							
January	122.7	39.7	101.0	60.4	2.6	69.4	4,116
February	121.5	39.5	95.1	65.2	2.6	65.1	4,577
March	119.8	39.2	93.5	69.8	2.5	70.7	4,847
April	119.6	39.3	87.8	76.4	2.6	69.0	4,494
May	120.9	39.3	87.1	68.6	2.6	75.1	4,723
June	119.4	39.4	81.2	71.7	2.5	94.3	4,446
July	118.2	39.3	76.3	72.3	2.5	108.4	4,176
August	116.5	39.2	76.3	75.5	2.4	59.8	4,240
September	116.8	39.0	71.5	78.5	2.3	74.7	4,321
October	118.3	39.1	70.3	75.3	2.4	85.6	4,054
November	118.5	39.0	69.4	80.3	2.4	86.9	4,431
December	120.0	38.9	69.8	76.0	2.4	121.0	4,596
1983							
January	122.0	39.2	71.7	68.1	2.4	137.9	4,257
February	123.9	39.6	71.4	71.6	2.5	141.7	4,630
March	124.7	39.4	75.4	75.3	2.7	116.9	4,704

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators					Other Indicators	
	Nonagri- cultural Employment (thousands)	Wages and Salaries in Mining, Manu- facturing and Construction (mil dol.)	Unemploy- ment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)	Taxable Sales (mil dol.)	Manufac- turing Employment (thousands)
<u>1980</u>							
January	9,816.9		5.9	312			2,025.7
February	9,878.3	45,261	6.1	325	248,487	35,423	2,031.9
March	9,883.5		6.0	337			2,029.7
April	9,857.9		6.9	346			2,017.9
May	9,838.9	45,632	7.2	362	251,650	34,703	2,005.3
June	9,812.1		7.4	388			1,993.2
July	9,762.8		6.9	404			1,987.0
August	9,806.5	46,669	7.4	395	261,197	35,714	1,987.4
September	9,835.9		7.2	412			1,994.0
October	9,886.8		7.1	416			2,004.5
November	9,900.0	49,837	7.4	382	272,878	36,835	2,006.4
December	9,925.1		6.3	393			2,007.0
<u>1981</u>							
January	9,966.3		7.3	345			2,020.8
February	9,957.5	48,760	7.4	370	274,969	37,688	2,017.7
March	9,961.2		7.1	368			2,015.4
April	10,012.4		7.1	356			2,026.3
May	10,028.0	51,610	6.7	344	283,748	39,015	2,033.7
June	10,044.5		7.0	350			2,036.6
July	10,021.5		7.2	354			2,040.9
August	10,028.4	52,813	7.0	366	294,060	39,478	2,031.8
September	10,016.6		7.5	380			2,023.8
October	10,010.8		8.1	385			2,020.3
November	9,963.0	54,434	8.0	413	301,146	38,891	2,003.0
December	9,945.0		8.6	459			2,000.9
<u>1982</u>							
January	9,930.7		8.7	412			1,987.0
February	9,921.3	53,457	8.9	442	301,961	38,480	1,980.0
March	9,903.1		9.3	467			1,974.0
April	9,861.9		9.3	504			1,958.3
May	9,850.0	53,953	9.6	508	308,771	38,301	1,948.7
June	9,843.8		9.6	539			1,936.0
July	9,873.5		10.5	514			1,956.7
August	9,859.6	54,134	10.3	542	312,832	38,391	1,942.4
September	9,848.0		10.2	549			1,932.2
October	9,810.6		10.7	571			1,916.9
November	9,787.8	54,301	11.1	587	317,638	39,324	1,904.6
December	9,763.1		11.0	586			1,902.1
<u>1983</u>							
January	9,821.8		11.0	505			1,919.4
February	9,819.4	54,592	11.2	533	319,392		1,919.4
March	9,821.4		10.6	542			1,908.7
April	9,858.4		9.8				1,914.0

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Other Indicators

Year and Month	DOD Prime Contracts (mil dol.) ^{b/}	Consumer Price Index (1967=100) ^{c/}				California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
		San Francisco		Los Angeles				
		Wage Earner and Clerical Worker	All Urban ^{d/}	Wage Earner and Clerical Worker	All Urban ^{d/}			
<u>1980</u>								
January		--	--	235.0	232.6	28,763	30,657	13,103
February	3,462	240.0	240.7	240.0	237.6	29,315	29,968	13,296
March		--	--	243.9	241.3	29,691	29,037	12,966
April		242.8	243.5	247.8	244.6	28,966	30,185	12,032
May	3,397	--	--	252.6	249.1	29,091	29,577	10,019
June		247.7	248.0	253.4	250.1	29,203	29,049	9,407
July		--	--	251.5	248.7	29,414	29,714	11,788
August	3,602	251.4	251.0	250.1	247.3	29,979	29,981	12,002
September		--	--	251.6	249.6	30,175	30,939	11,489
October		252.6	251.9	254.9	252.6	30,961	30,809	12,024
November	3,473	--	--	258.4	255.5	31,832	30,802	11,345
December		255.7	254.9	262.2	258.7	32,213	30,041	10,644
<u>1981</u>								
January		--	--	262.7	259.4	32,168	28,806	9,935
February	4,197	261.6	260.5	265.0	261.6	31,730	28,371	11,078
March		--	--	266.5	263.3	31,822	28,066	9,904
April		270.9	270.3	269.1	265.5	32,050	29,062	11,906
May	4,057	--	--	270.7	267.3	33,120	28,542	11,254
June		274.3	274.0	271.7	267.9	33,882	27,891	11,958
July		--	--	276.3	272.2	34,365	27,533	10,635
August	4,983	287.2	287.9	278.6	274.8	35,035	27,385	9,487
September		--	--	282.9	279.3	35,306	28,557	11,280
October		295.6	297.0	284.9	281.3	35,082	27,124	11,001
November	3,957	--	--	285.5	281.8	35,173	27,684	10,676
December		292.7	294.0	286.1	282.3	35,539	28,060	10,562
<u>1982</u>								
January		--	--	289.8	285.6	36,213	28,359	10,806
February	7,338	249.9	295.8	289.4	285.6	36,674	27,290	10,284
March		--	--	290.4	286.6	37,646	28,117	10,428
April		297.8	298.8	290.5	286.8	36,517	27,517	10,285
May	6,015	--	--	290.6	287.1	38,064	27,821	10,089
June		303.4	304.6	293.9	290.1	e/	e/	9,534
July		--	--	293.0	289.3			10,099
August	5,694	302.8	304.3	292.8	289.1			9,796
September		--	--	291.7	288.2			9,560
October		301.3	302.4	292.8	289.5			9,144
November		--	--	291.6	288.5			9,129
December		293.6	293.9	288.0	285.3			9,249
<u>1983</u>								
January		--	--	288.0	285.6			9,693
February		293.9	297.3	290.1	286.8			10,054
March		--	--	289.6	287.1			

^{a/}Annual basis.^{b/}Quarterly data.^{c/}Not adjusted for seasonal variation.^{d/}Old series.^{e/}Discontinued pending release of new series.

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1969</u>		<u>1970--Continued</u>	
January 1	Social security contribution rate increased to combined 9.6 percent.	November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.	November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.	November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.	December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.	December 20	13-week extended duration unemployment benefits in effect.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.	December 22	Prime rate reduced from 7 percent to 6-3/4 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.	<u>1971</u>	
October 27-February 1970	General Electric strike.	January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
<u>1970</u>		January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.	January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.	January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.	January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.	January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
April 2-June 2	Teamster strike.	February 4	Rolls Royce bankruptcy announced.
May 6	Stock margin requirement cut from 80 percent to 65 percent.	February 9	Los Angeles earthquake.
July 1	Personal income tax surcharge removed.	February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
September 14-November 23	UAW strike against GM.	February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.	February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

<u>1971--Continued</u>		<u>1971--Continued</u>	
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.	November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to January 1, 1971. Contribution base raised to \$9,000 effective January 1, 1972.	November 14	Phase II of NEP in effect.
March 25	SST program terminated.	December 6	Stock margin requirements cut from 65 percent to 55 percent.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.	December 10	Revenue Act of 1971 signed into law.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.	December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.		Intent to devalue U.S. dollar announced.
May 17-18	Rail strike.	<u>1972</u>	
June 1-July 27	Communications workers strike against Western Union.	January 17-February 20	West Coast dock strike continued.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.	February 1-March 15	Kaiser Steel Company strike.
June 29-July 16	Northern California construction strike.	July 1	20 percent increase in social security benefits signed into law. Effective September.
July 1-October 6	West Coast dock strike.	September 11	Opening of BART Fremont-Oakland line.
July 14-August 2	Telephone strike.	September 21	"Friends of Mammoth" decision.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.	November 24	Stock margin requirements raised to 65 percent.
July 16-August 2	Rail strike.	<u>1973</u>	
July 31	Steel strike averted by accord on contract.	January 11	Phase III of NEP in effect.
August 2	Lockheed loan guarantee approval.	January 15	Discount rate raised from 4-1/2 percent to 5 percent.
August 3	Teamsters walkout in Northern California against building contractors.	January 27	Viet Nam cease fire signed.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.	January 29	Opening of BART Richmond-Oakland line.
October 1	East and Gulf Coast longshoremen's strike.	February 12	10 percent devaluation of U.S. dollar announced.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.	March 2	Major foreign currency exchanges closed.
		March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

<u>1973</u>		<u>1974--Continued</u>	
April 9-13	Consumer meat boycott.	April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.	June 17-August 4	San Diego construction strike.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.	June 17-July 21	Northern California construction strike.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.	July 1-Mid-August	Southern California construction strike.
June 14	60-day price freeze announced.	July 1	Transit strikes, San Francisco Bay Area.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.	August 2-October 21	Los Angeles area transit strike.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.	August 8	Resignation of President Nixon announced.
July 18	Phase IV announced.	August 14	FHA mortgage rate raised to 9-1/2 percent. Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
August 27	Prime rate at 9-3/4 percent in major institutions.	October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
October 17	Arab nations announce reductions in oil shipment.	November 12-December 9	Coal strike.
November 5-December 18	TWA strike.	December 9	Discount rate reduced from 8 percent to 7-3/4 percent.
<u>1974</u>		<u>1975</u>	
January 3	Stock margin requirements cut from 65 percent to 50 percent.	January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
February 1-11	Independent truckers strike, midwest and east coast.	January 10	Oil Chemical Atomic Workers Union strike.
February 15	Prime rate reduced to 9 percent.	January 13	Prime rate reduced to 10 percent. Further major cuts as follows: January 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
February 22	Prime rate reduced to 8-3/4 percent.	January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
March 4	California minimum wage increased to \$2.00 per hour from \$1.65.	February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.
March 18	Arab oil embargo lifted.		
March 27	Prime rate increased to 9 percent from 8-3/4 percent.		
March 28	Prime rate further increased to 9-1/2 percent.		
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.		
April 29	Prime rate up to 10-3/4 percent.		

CHRONOLOGY--Continued

<u>1975--Continued</u>		<u>1976--Continued</u>	
March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.	September 15-October 13	Auto workers strike.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.	October 18	California minimum wage raised to \$2.50 per hour.
March 25	King Faisal assassinated.	December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.
March 29	Tax reduction act signed into law.		<u>1977</u>
May 19	Prime rate reduced to 7-1/4 percent by several major banks.	May 16	Prime rate raised to 6-1/2 percent.
June 10	Prime rate reduced to 7 percent by most banks.	May 31	Prime rate raised to 6-3/4 percent.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.....7-1/2 percent August 11.....7-3/4 percent September 15....8 percent	August 22	Prime rate raised to 7 percent.
September 1	National Airlines strike.	August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.	September 16	Prime rate raised to 7-1/4 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31.....7-1/2 percent November 21.....7-1/4 percent	October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
December 5-19	United Airlines strike.	October 7	Prime rate raised to 7-1/2 percent.
	<u>1976</u>	October 10-January 4	IAM-Lockheed strike.
January 12	Prime rate lowered to 7 percent.	October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.	October 26	Discount rate raised from 5-3/4 percent to 6 percent.
January 21	Prime rate reduced to 6-3/4 percent.	December 6-March 24	United Mine Workers strike.
April 1-3	Teamsters strike.		<u>1978</u>
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.	January 1	U.S. minimum wage increased to \$2.65 per hour.
April 21	Rubber workers strike.	January 9	Discount rate raised from 6 percent to 6-1/2 percent.
July 20-August 2	Cannery workers strike.	January 10	Prime rate raised to 8 percent.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4.....6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent	February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
		April 1	California minimum wage increased from \$2.50 to \$2.65 per hour.
		April 1-May 28	United Airlines strike.
		May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

<u>1978--Continued</u>		<u>1978--Continued</u>	
May 8	California savings and loan associations raised mortgage rates from 9-3/4 percent to 10 percent.	October 12	Prime rate raised from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.	October 15	Tax cut and energy bills passed by Congress.
May 23	Federal funds rate increased to 7-1/2 percent.	October 16	Discount rate raised from 8 percent to 8-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.	October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.	October 24	Prime rate raised from 10 percent to 10-1/4 percent.
June 6	Proposition 13 approved by California voters.		California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
June 16	Prime rate raised to 8-3/4 percent.	October 24	Phase II announced: voluntary guidelines on wages and prices.
June 20	OPEC announced a freeze on crude oil prices until December 16.	November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.		Prime rate raised to 10-1/2 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.	November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
June 30	Prime rate raised to 9 percent.	November 13	Prime rate raised from 10-3/4 percent to 11 percent.
July 10	Discount rate raised to 7-1/4 percent.	November 24	Prime rate raised to 11-1/2 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.	November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
August 20	Retail clerks union strike in Southern California.	December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
August 21	Discount rate raised to 7-3/4 percent.	December 19	Federal funds rate raised to 10 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.	December 20	Prime rate raised to 11-3/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.		<u>1979</u>
September 15	Prime rate raised to 9-1/2 percent.	January 1	U.S. minimum wage increased to \$2.90 per hour.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.	January 13	Prime rate reduced to 11-1/2 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.	March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
		March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

CHRONOLOGY--Continued

<u>1979--Continued</u>		<u>1980--Continued</u>	
March 31	United Airlines-machinist strike.	March 14	Announcement of tighter fiscal policies.
April 1-10	Teamsters strike.	March 17	Three percent discount rate surcharge imposed.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.	March 18	Prime rate raised to 19 percent.
May 19	Federal funds rate set at 7-1/4 percent.	April 2	Prime rate raised to 20 percent.
May 26	United Airlines strike ended.	April 3	FHA mortgages raised to 14 percent.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.	April 20	Prime rate reduced to 19-1/2 percent.
June 12	Prime rate reduced to 11-1/2 percent.	April 28	FHA mortgages reduced to 13 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.	May 5	Prime rate reduced to 18 percent.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.	May 7	Prime rate reduced to 17 percent.
August 16	Discount rate raised to 10-1/2 percent.	May 8	Discount rate surcharge reimposed.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.	May 12	Prime rate reduced to 16-1/2 percent.
August 26- September 10	Los Angeles Rapid Transit District strike.	May 19	Prime rate reduced to 16 percent.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.	May 28	Discount rate lowered to 12 percent from 13 percent.
August 31- November 21	BART strike.	June 4	Prime rate reduced to 13 percent.
September 4	Federal funds rate raised from 11-1/4 percent	June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
	<u>1980</u>	June 20	Prime rate reduced to 12 percent.
February 25	Prime rate raised to 16-1/2 percent.	June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.	June 25	Carpenters strike in Northern California ended.
February 29	Prime rate raised to 16-3/4 percent.	July 3	ICC begins trucking industry deregulation.
March 4	Prime rate raised to 17-1/4 percent.	July 21	Motion picture and television industry strike.
March 7	Prime rate raised to 17-3/4 percent.	July 22	Prime rate reduced to 11 percent.
March 13	Prime rate raised to 18-1/4 percent.	July 25	Prime rate reduced to 10-3/4 percent.

CHRONOLOGY--Continued

1980--Continued		1981	
July 28	Discount rate reduced to 10 percent.	January 1	Minimum wage raised from \$3.10 to \$3.35.
August 5	Prime rate raised to 11 percent.	January 6	Prime lowered to 20 percent.
August 27	Prime rate raised to 11-1/2 percent.	January 20	American hostages released from Iran.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.	January 20	Ronald Reagan inaugurated as 40th President of the U.S.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.	January 28	Deregulation of oil and gas industry announced, effective immediately.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.	January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.	February 16	General Motors and Ford rebate plans announced.
October 2	Prime raised from 13 to 13-1/2 percent.	February 23	Prime rate lowered to 18 percent.
October 3	Prime raised to 14 percent.	March 2	Prime rate lowered to 18-1/2 percent.
October 15	AFTA workers return to work.	March 10	Prime rate lowered to 18 percent.
October 23	Screen Actors Guild strike ends.	March 16	Prime rate lowered to 17-1/2 percent.
October 30	Prime raised from 14 to 14-1/2 percent.	March 18	Prime rate lowered to 17 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.	March 26	United mine workers strike.
November 14	PSA pilots strike ends.	April 13	Prime rate raised to 17-1/2 percent.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.	April 29	Prime rate raised to 18 percent.
November 21	Prime raised to 17 percent.	May 4	Prime rate raised to 19 percent.
November 28	Prime raised to 17-3/4 percent.	May 5	Discount rate raised from 13 percent to 14 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.	May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.	May 11	Prime rate raised to 19-1/2 percent.
December 11	Prime raised to 20 percent.	May 22	Prime rate raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.	May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
December 23	Prime lowered from 21 to 20-1/2 percent.	June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

<u>1981--(Continued)</u>		<u>1981--(Continued)</u>	
June 8	Coal miners end 72 day strike and ratify a 40-month contract.	December 12	Martial law imposed in Poland.
		<u>1982</u>	
July 8	Prime rate raised to 20-1/2 percent.	January 22	Federal funds rate raised to 13-1/2 percent.
August 3	Air traffic controller's strike.	January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
August 14	President Reagan signs both the tax- and budget-cut bills into law.	January 27	Federal funds rate raised to 13-3/4 percent.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.	February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
September 1	Prime rate lowered to 20 percent.	February 18	Prime rate increased to 17 percent.
September 21	Prime rate lowered to 19-1/2 percent.	February 24	Prime rate cut back to 16-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.	March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
October 6	Prime rate lowered to 19 percent.	March 8	Prime rate lowered to 16 percent.
	Egyptian President Sadat assassinated.	March 16	Prime rate back up to 16-1/2 percent.
October 13	Prime rate lowered to 18 percent.	April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi benchmark set at \$34/barrels.
October 30	OPEC price set at \$34.00/barrel--the Saudi benchmark.	April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.	April 12	General Motor and United Auto Workers labor agreement approved.
November 2	Fed discount rate cut from 14 percent to 13 percent.	April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
	Prime rate lowered to 17-1/2 percent.	May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
November 10	Prime rate lowered to 17 percent.	May 13	Braniff Air Lines ceases operation.
November 13	Prime rate lowered to 16-1/2 percent.	June 25	Secretary of State Alexander Haig resigns.
	FHA mortgage rate lowered to 15-1/2 percent.	June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.
November 16	Prime rate lowered to 16 percent.		
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.		
December 1	Prime rate lowered to 15-1/2 percent.		
December 4	Fed discount rate lowered from 13 percent to 12 percent.		

CHRONOLOGY--Continued

1982--Continued		1982 (Continued)	
July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.	December 14	Introduction of money market deposit accounts by banks and S&Ls.
July 27	Prime rate lowered to 15-1/2 percent.	<u>1983</u>	
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.	January 5	Super NOW accounts introduced.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.	January 11	Prime rate lowered to 11 percent.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.	January 31	Independent truckers strike begins.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.	February 10	Independent truckers strike end.
August 19	The stock market trading soared to a record 132,690,000 shares.	February 15	Toyota/GM agreement to build a small car in late 1984.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.	February 25	Prime rate lowered to 10-1/2 percent.
September 19	National Football League players strike began. Railroad strike involving locomotive engineers began.	March 14	OPEC sets \$29 per barrel benchmark price and production quota of 17.5 million barrels.
September 23	Railroad strike ends.	May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.		
October 7	Prime rate lowered to 13 percent.		
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.		
October 15	Prime rate lowered to 12 percent.		
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.		
November 22	Discount rate cut from 9-1/2 percent to 9 percent.		
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.		
December 13	Discount rate cut to 8-1/2 percent.		

SOURCES OF STATISTICAL SERIES

Employment Development Department
Employment Data and Research

Civilian employment
Unemployment
Unemployment rate
Nonagricultural employment
Manufacturing employment
Hours and earnings
Nonagricultural placements
Initial claims for unemployment
insurance
Insured unemployment
Index for production worker hours

Department of Industrial Relations
Division of Labor Statistics
and Research

California consumer price index

Department of Finance

Personal income
Wages and salaries
Index of leading indicators

Department of Motor Vehicles

New auto registrations

State Board of Equalization

Taxable sales

Security Pacific National Bank

Housing units authorized
Valuation of nonresidential
construction

U.S. Department of Commerce

Retail sales

U.S. Bureau of Labor Statistics

Consumer price indices

U.S. Department of Defense

Prime defense contracts

U.S. Department of Energy

Electricity production

California Redwood Association

Lumber production

Conservation Committee of California
Oil Producers

Petroleum production

American Iron and Steel Institute

Steel production

U.S. Bureau of Mines

Cement production

Dun and Bradstreet

Business failures and liabilities

California Secretary of State

News business incorporations

Federal Reserve Bank of
San Francisco

Demand deposits
Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

<u>Initial Trough</u>	<u>Peak</u>	<u>Terminal Trough</u>	<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		

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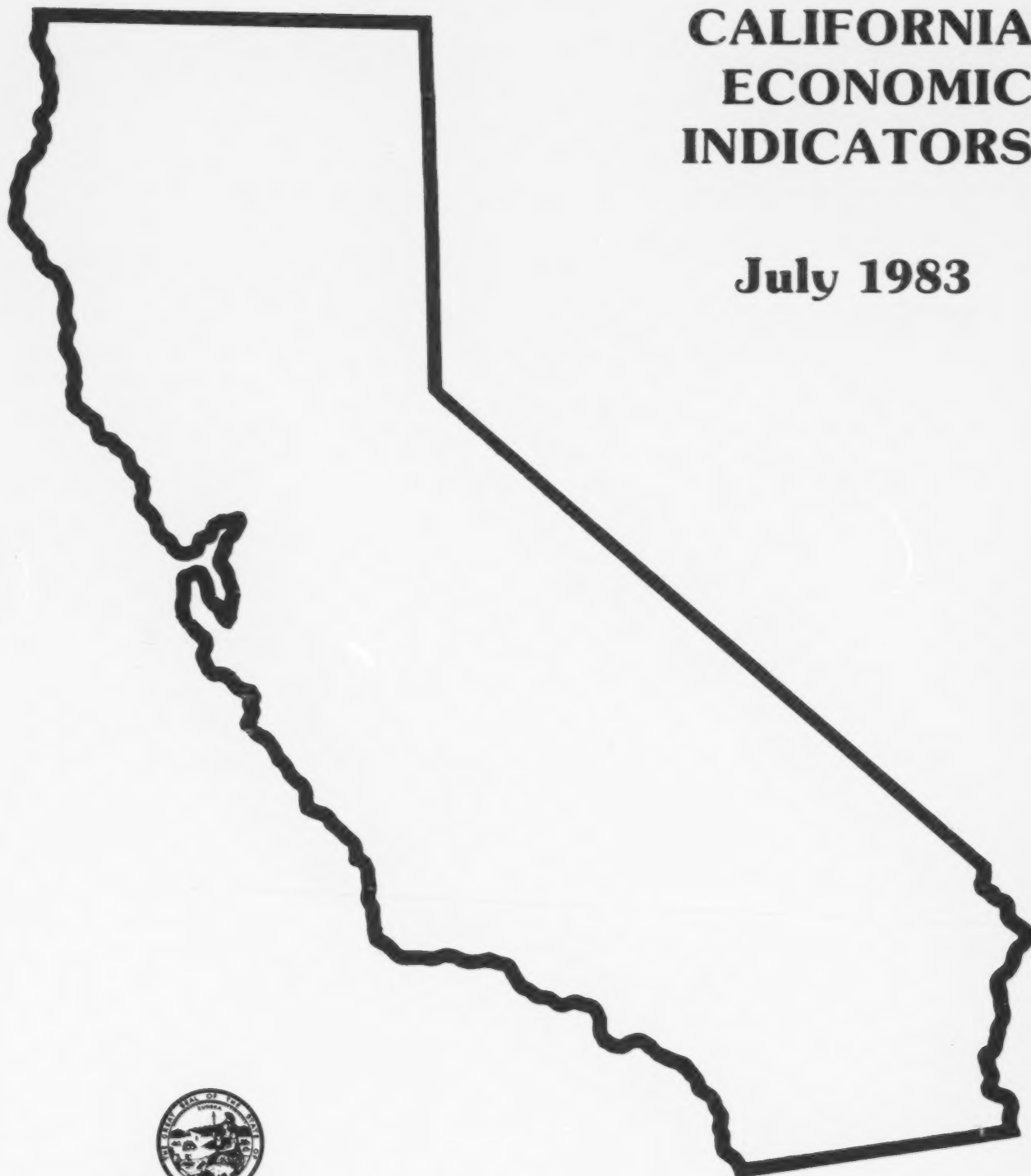
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CALIFORNIA ECONOMIC INDICATORS

July 1983



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- . review of economic developments
- . current California economic data table
- . economic indicator charts
- . basic data for California economic series
- . chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 J Street, Sacramento, CA 95814.

Subscriptions are \$5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

<u>Beginning Subscription Date</u>	<u>Prorated Amount Due</u>
January	\$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

Numerous signs of further economic recovery have appeared in recent months. Among these signs are rising employment, a declining unemployment rate, surging housing authorizations, and improvement in a wide variety of other indicators.

Nonagricultural wage and salary employment rose by 0.2 percent in May and 0.4 percent in June. Nearly 60,000 new jobs were created during the two months. Since the December 1982 trough in employment, nearly 160,000 new jobs have been created. Employment growth continues to be primarily in the construction, durable goods manufacturing, trade, finance and service sectors. Construction has shown the sharpest rebound, rising by 10.8 percent since the end of last year. Retail trade and services also experienced very strong growth, and accounted for 60 percent of all new jobs between December 1982 and June 1983.

Employment gains have not occurred across-the-board, however. As reported in the previous indicators, some sectors--primarily mining, government, transportation-utilities, and nondurable goods manufacturing--continue to decline or post weak gains. These sectors are not expected to rebound until later in the economic recovery.

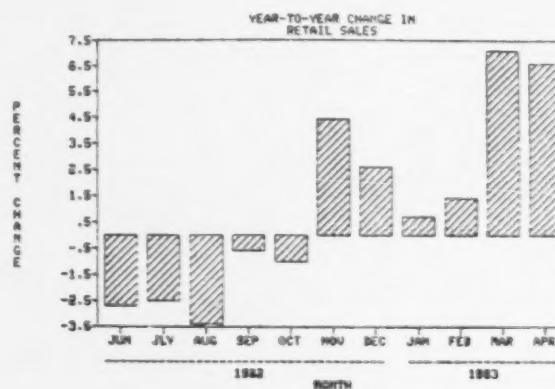
Civilian labor force and employment conditions continue to strengthen. The number of persons in the labor force has risen three months in a row, while civilian employment has risen four months straight. Although the extent of unemployment has changed little, the reasons for unemployment are changing dramatically. The number of persons losing or leaving their jobs declined by 9.8 percent between April and June. New entrants and reentrants into the labor force--indicators of optimism concerning job prospects--rose 56.3 percent over the same period.

Improving civilian labor force conditions have also been reflected in the unemployment rate. In June, 10.3 percent of the California labor force was without work, down from the 11.2 percent peak reached in February 1983. For comparison, the U.S. rate peaked in December 1982 at 10.8 percent and has since fallen to 10.0 percent as of June.

Housing units authorized by permits surged in April and May. From the 130,000 unit rate during the first quarter of this year, authorizations rose to over a 160,000 unit pace over the next two months. While the general economic recovery was responsible for most of the growth in new construction, a secondary factor may have been impending State energy conservation standards. On June 16, 1983, energy regulations relating to new home construction went into effect. It is not known to what extent builders accelerated their filing of permits to avoid the regulations.

Nonresidential construction continues to increase, but at a slow pace and in small amounts. For the first five months of this year, new valuation authorized by permits was up only 2.8 percent over the same period last year. In June, seasonally adjusted nonresidential value increased by 3.6 percent. Although the economic recovery has reversed some of the declines posted earlier this year, excess capacity and mild demand for additional space have generally prevented stronger growth.

California retail sales have risen since the end of last year, mirroring a nationwide pattern. The \$11.4 billion in seasonally adjusted sales during April 1983 was 6.6 percent above the level in April 1982. California retail sales as a share of the U.S. total have ranged from 11.6 percent to 12.1 percent in 1983.



The rate of inflation has remained low during the past few months. The April California CPI was up just 1 percent from the previous index, and also from the same month last year. (During the latter half of 1982, the California CPI declined.) Relatively stable home purchase and financing costs continued to be the major moderating influences. Price gains higher than the all items index have been occurring primarily in the medical care and food components. The U.S. CPI rose by 3.9 percent in April and 3.5 percent in May compared to the same two months of 1982.

The California index of leading economic indicators increased in May for the seventh straight month. The 0.9 percent gain was due to improvements in housing authorizations, business incorporations, help-wanted ads, stock prices, and initial claims for unemployment insurance. In April the index rose by 3.8 percent--the largest one month increase in the past 11 years. The continuing upward trend of the index is a positive signal for the State economy three to six months into the future.

CURRENT CALIFORNIA ECONOMIC DATA

	1983				1982		Percent Change May 1982- May 1983
	May	April	March	Feb.	May	April	
<u>Employment^{a/}</u>							
Civilian employment (000) - - - - -	11,007	10,962	10,926	10,893	11,012	10,974	-0.0
Unemployment (000) - - - - -	1,294	1,191	1,290	1,370	1,165	1,127	11.1
Unemployment rate - - - - -	10.1	10.2	10.3	10.4	9.4	9.3	--
<u>Nonagricultural wage and salary employment^{b/} (000)</u> - - - - -							
	9,885.3	9,863.0	9,821.4	9,819.4	9,850.0	9,861.9	0.4
Mining - - - - -	46.5	46.8	47.1	47.4	49.8	50.1	-6.6
Construction - - - - -	385.3	379.3	370.9	369.5	373.2	372.5	3.2
Manufacturing - - - - -	1,926.5	1,917.4	1,908.7	1,919.4	1,948.7	1,958.3	-1.1
Aerospace ^{c/} - - - - -	636.6	635.6	635.8	636.6	640.9	639.3	-0.7
Transportation and public utilities -	530.9	532.6	534.3	533.5	545.3	547.0	-2.6
Trade - - - - -	2,314.3	2,310.4	2,293.6	2,284.3	2,285.7	2,287.1	1.3
Finance, insurance, and real estate -	651.5	650.6	647.8	648.1	645.8	646.8	0.9
Services - - - - -	2,318.9	2,314.2	2,299.3	2,293.8	2,273.6	2,271.5	2.0
Government - - - - -	1,711.4	1,711.7	1,720.6	1,723.4	1,727.9	1,728.6	-1.0
Federal - - - - -	322.2	322.9	324.8	325.4	324.5	324.7	-0.7
State and local - - - - -	1,389.2	1,388.8	1,395.8	1,398.0	1,403.4	1,403.9	-1.0
<u>Hours and Earnings, Manufacturing</u>							
Average weekly hours - - - - -	39.7	39.7	39.4	39.3	39.3	38.8	1.0
Average weekly earnings - - - - -	\$376.36	\$375.56	\$371.54	\$369.03	\$361.56	\$353.47	4.1
Average hourly earnings - - - - -	\$9.48	\$9.46	\$9.43	\$9.39	\$9.20	\$9.11	3.0
Index of Leading Indicators - - - - -	129.9	128.7	124.0	123.2	120.8	119.4	7.5
<u>Trade</u>							
Retail sales (millions) - - - - -	n.a.	\$11,287	\$11,240	\$9,619	\$10,758	\$10,588	n.a.
New auto registrations (number) - - - - -	\$80,382p	84,124	86,328	62,661	71,889	80,275	11.8
<u>Business</u>							
Business failures (number) - - - - -	n.a.	n.a.	n.a.	n.a.	308	286	n.a.
Business liabilities (000) - - - - -	n.a.	n.a.	n.a.	n.a.	\$2,088.8	\$90.0	n.a.
New incorporations (number) - - - - -	4,538	4,457	4,699	3,838	4,516	4,350	0.5
<u>Consumer Price Index, all items^{d/}</u>							
California average (1967=100) - - - - -	--	296.0	--	293.2	--	293.0	--
San Francisco (1967=100) - - - - -	--	299.3	--	297.3	--	298.8	--
Los Angeles (1967=100) - - - - -	292.0	289.5	287.1	286.8	287.1	286.6	1.7
San Diego (1967=100) - - - - -	332.0	--	327.5	--	329.2	--	0.9
<u>Production</u>							
Petroleum (000 barrels daily) - - - - -	n.a.	1,109.1	1,084.9	1,100.5	1,094.4	1,095.3	n.a.
Portland cement (000 short tons)- - - - -	706.7	566.0	450.0	397.2	590.5	506.2	19.5
Raw steel (000 net tons) - - - - -	133.7	107.3	81.6	66.6	118.5	146.4	12.8
Selected redwood mill shipments (mil. FBM)	94.1	83.1	77.6	87.2	81.1	69.3	16.0
<u>Construction</u>							
Private residential housing units authorized, SAAR (000)- - - - -	167.1	160.1	116.9	141.7	78.1	70.3	114.0
Nonresidential building authorized, valuation (millions)- - - - -	\$778.3	\$842.8	\$638.7	\$535.1	\$756.5	\$720.1	2.9

^{a/}Adjusted for seasonal variation.^{b/}Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.^{c/}The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.^{d/}All urban series. New basis since January 1983.^{p/}Preliminary estimate.^{r/}Revised.

n.a. Not available

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

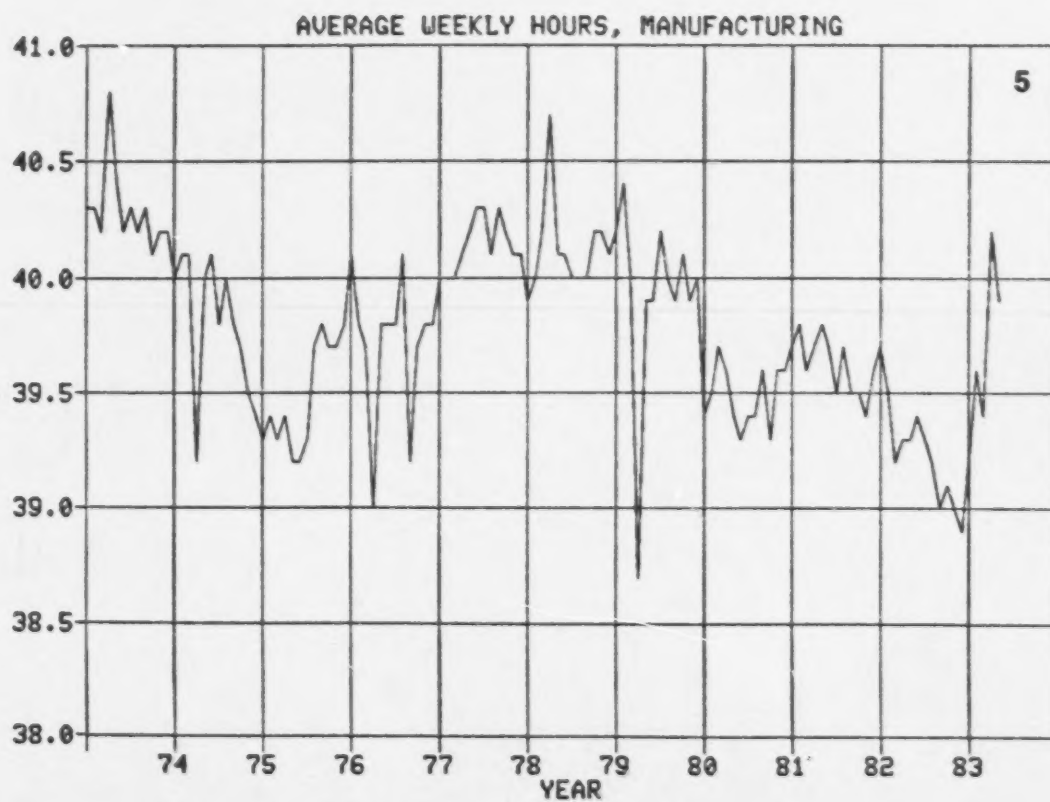
n.a. Not available
e Estimate

p Preliminary
r Revised

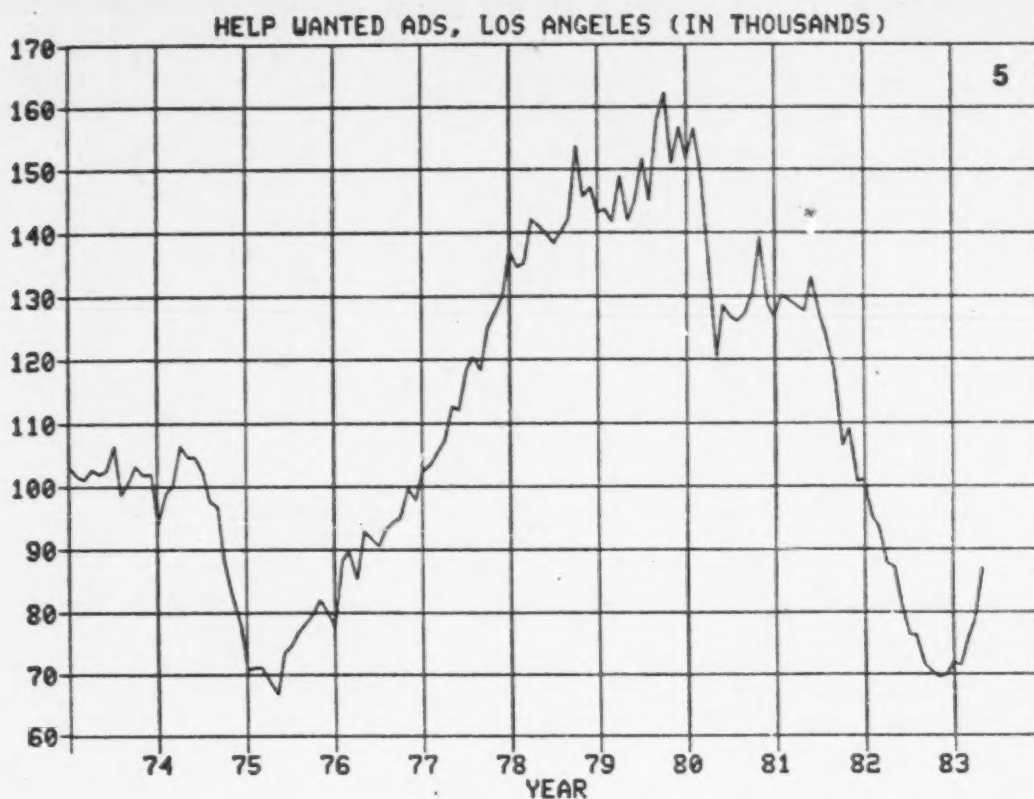
INDEX



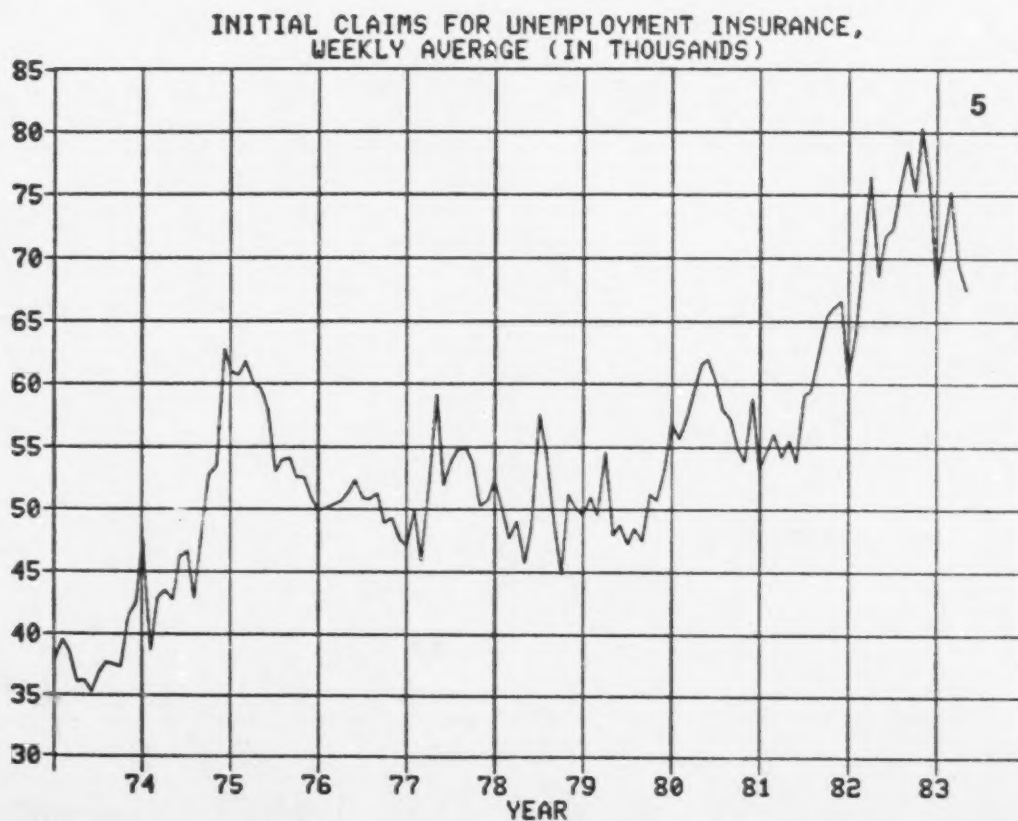
HOURS

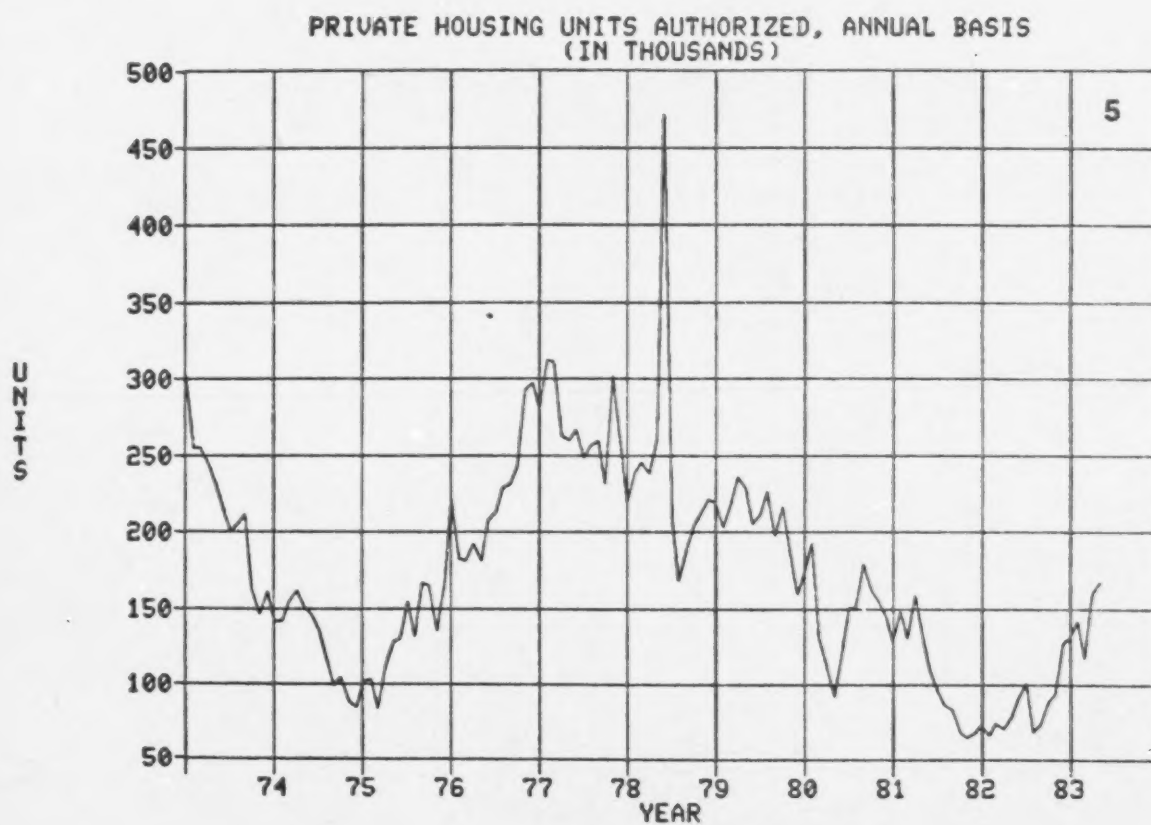
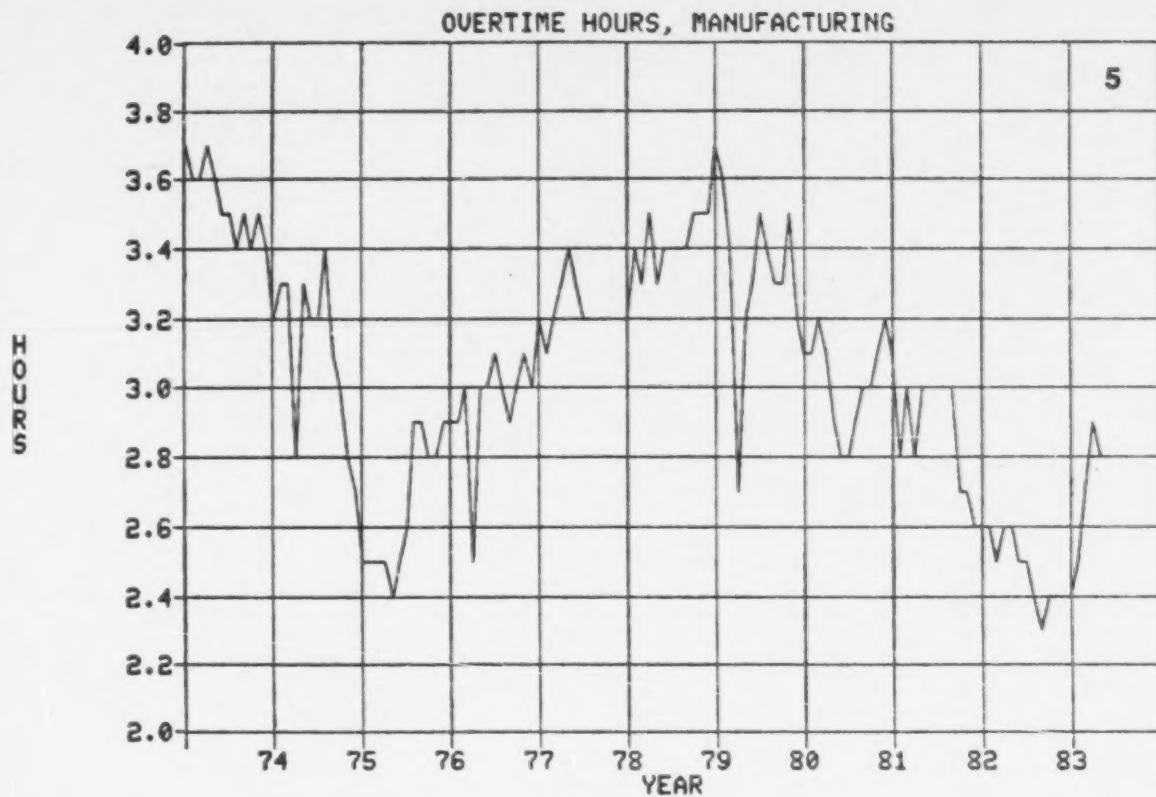


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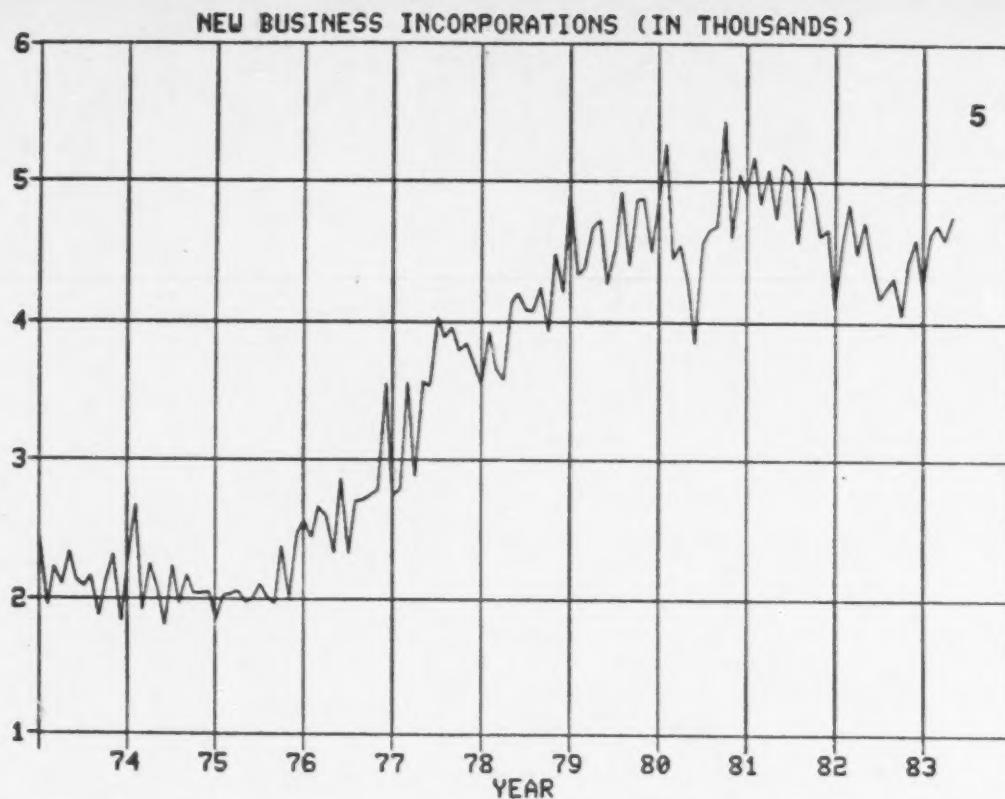


CLAIMS

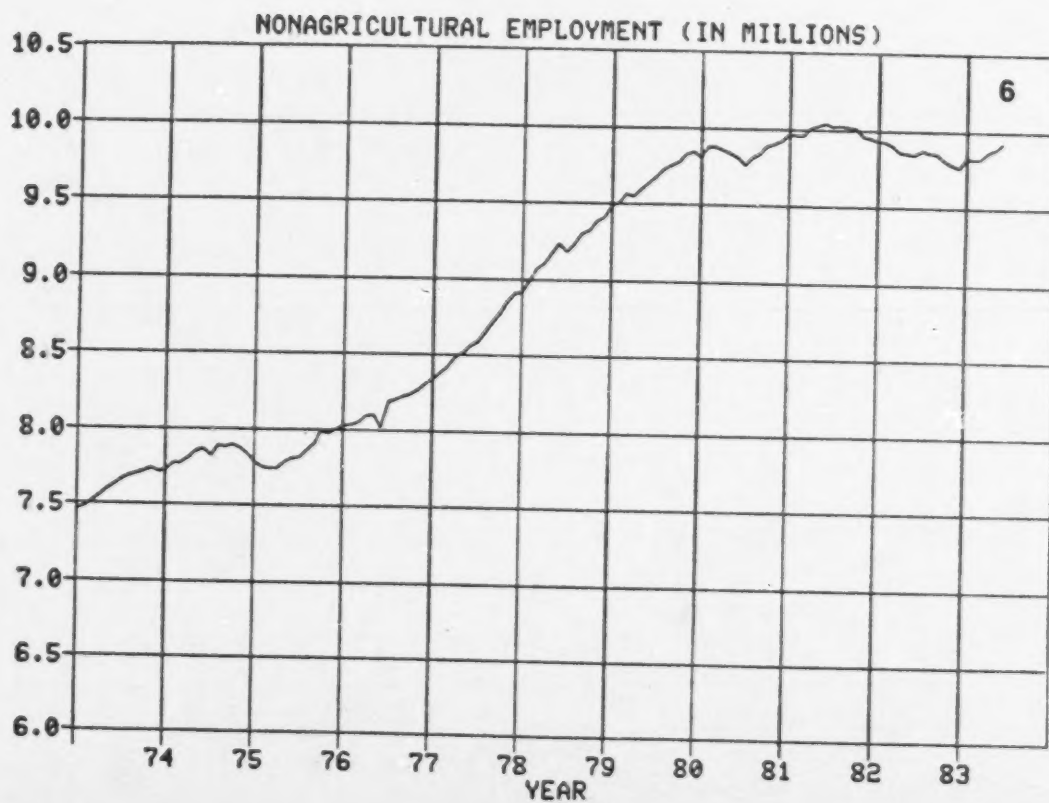


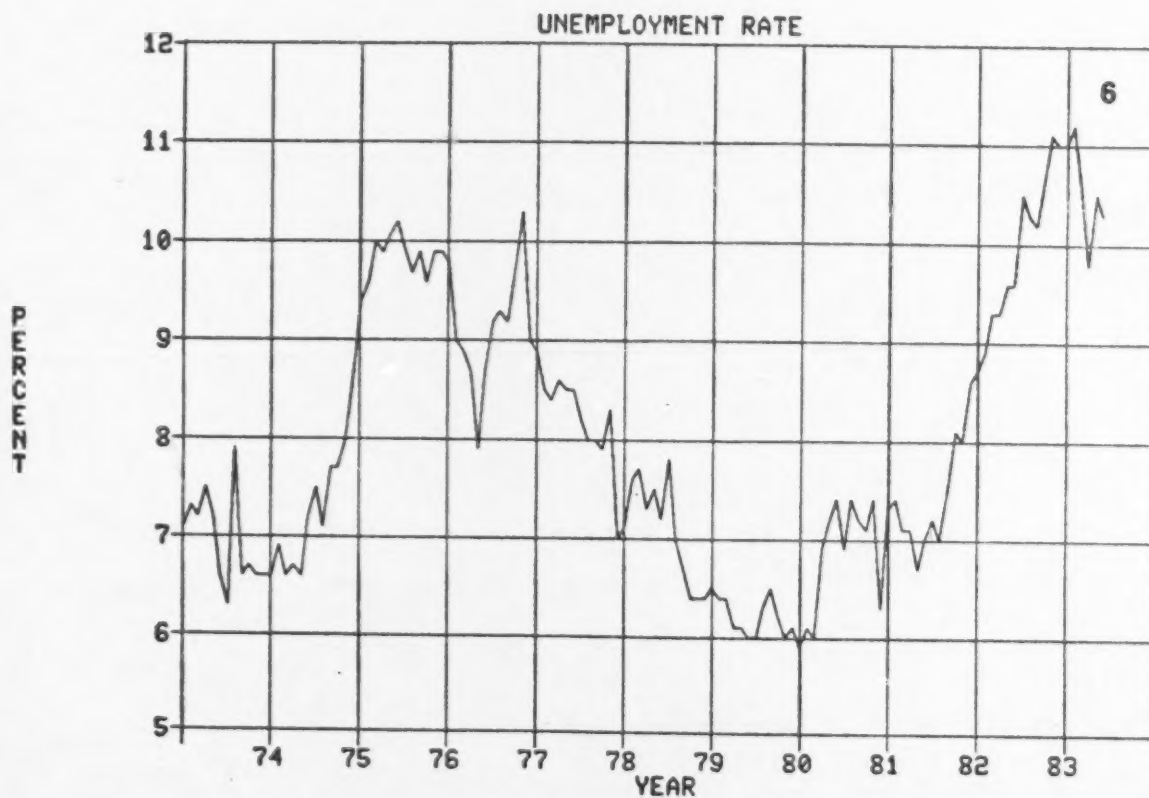
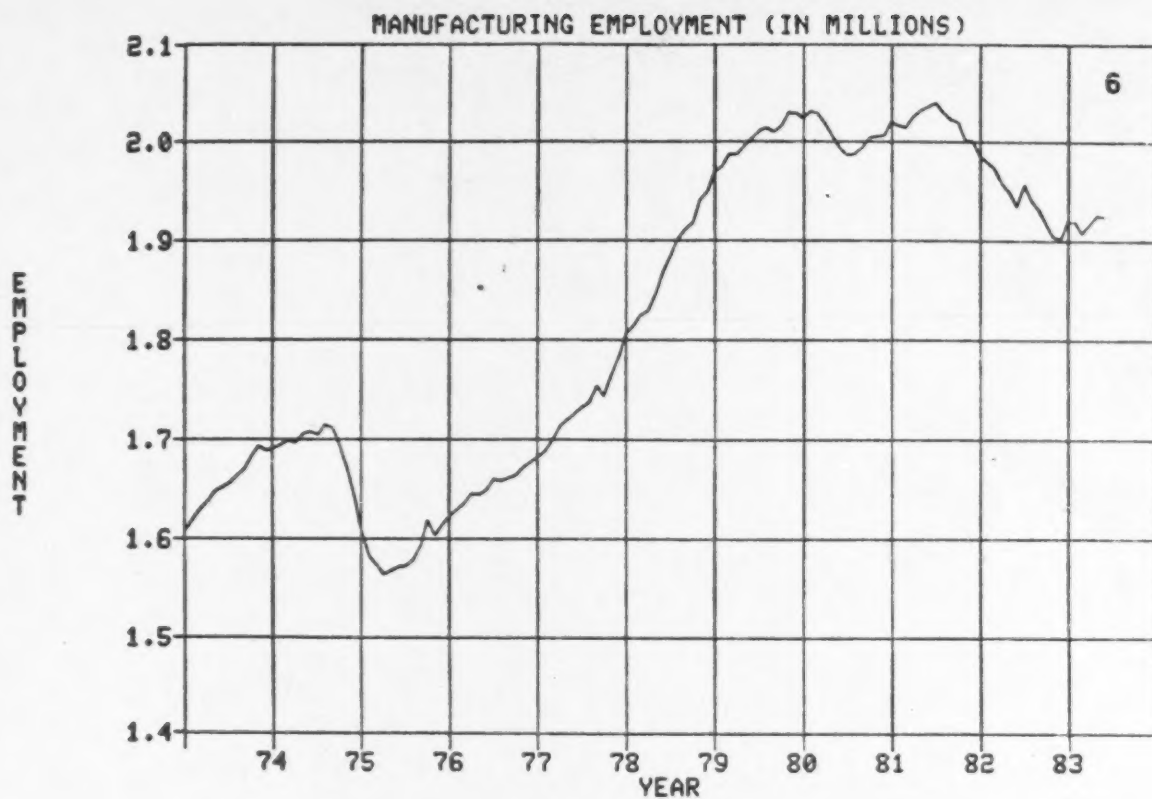


INCORPORATIONS

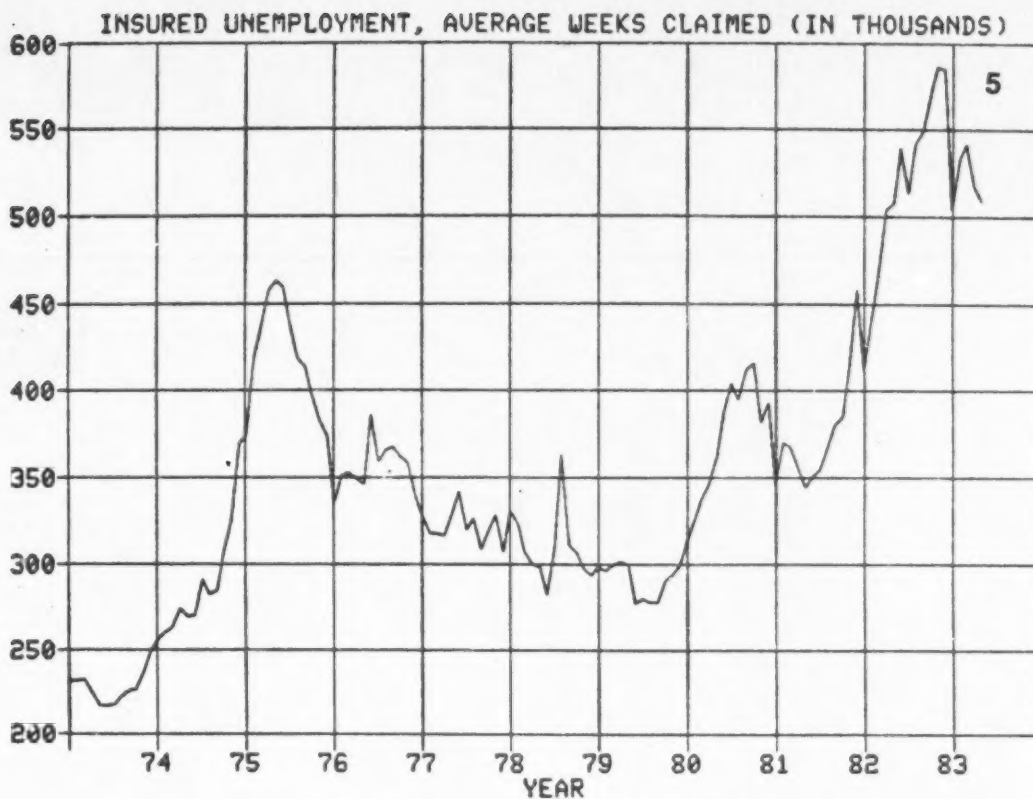


EMPLOYMENT

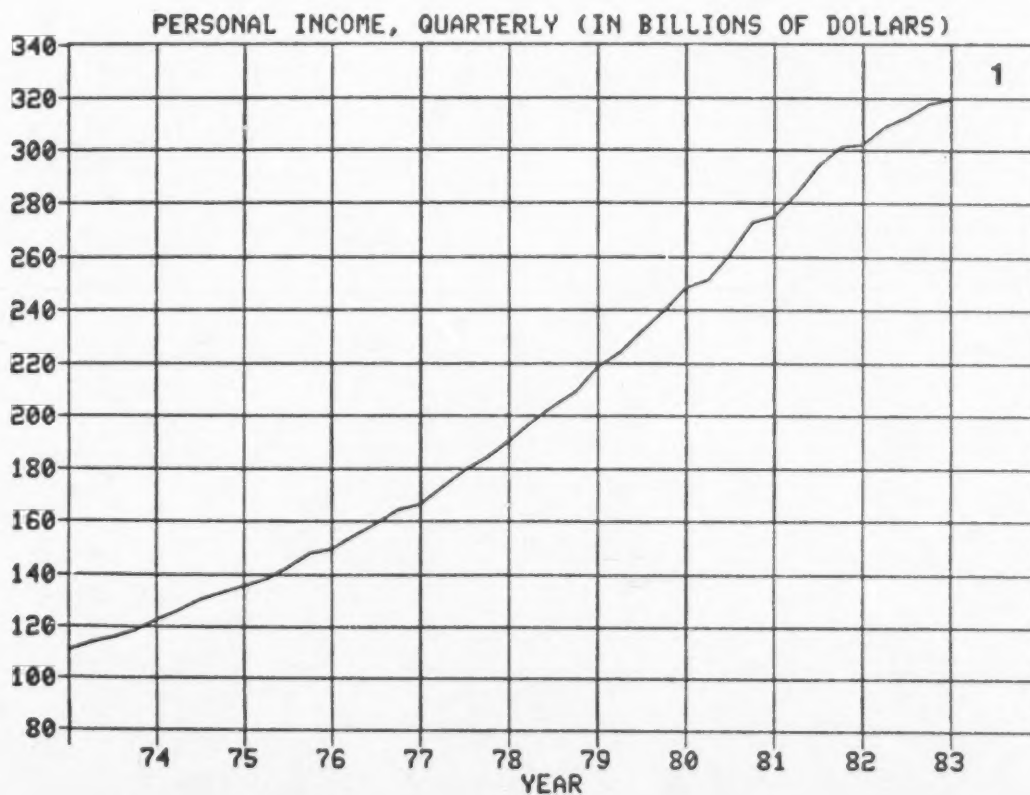




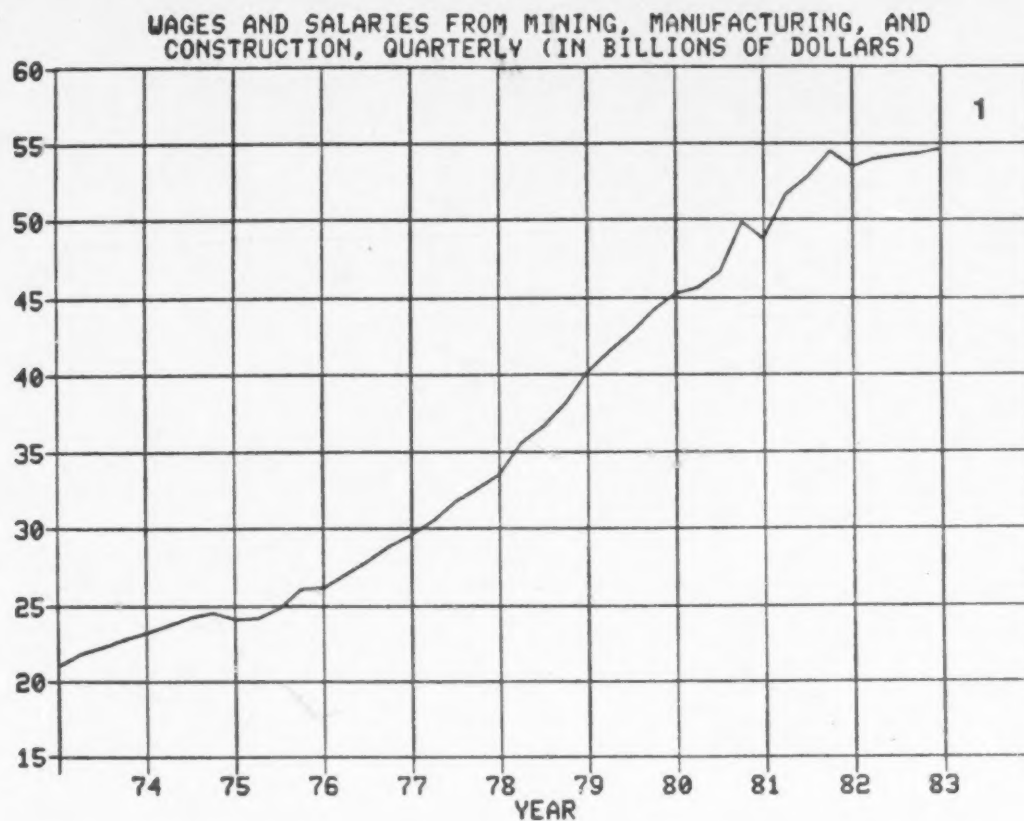
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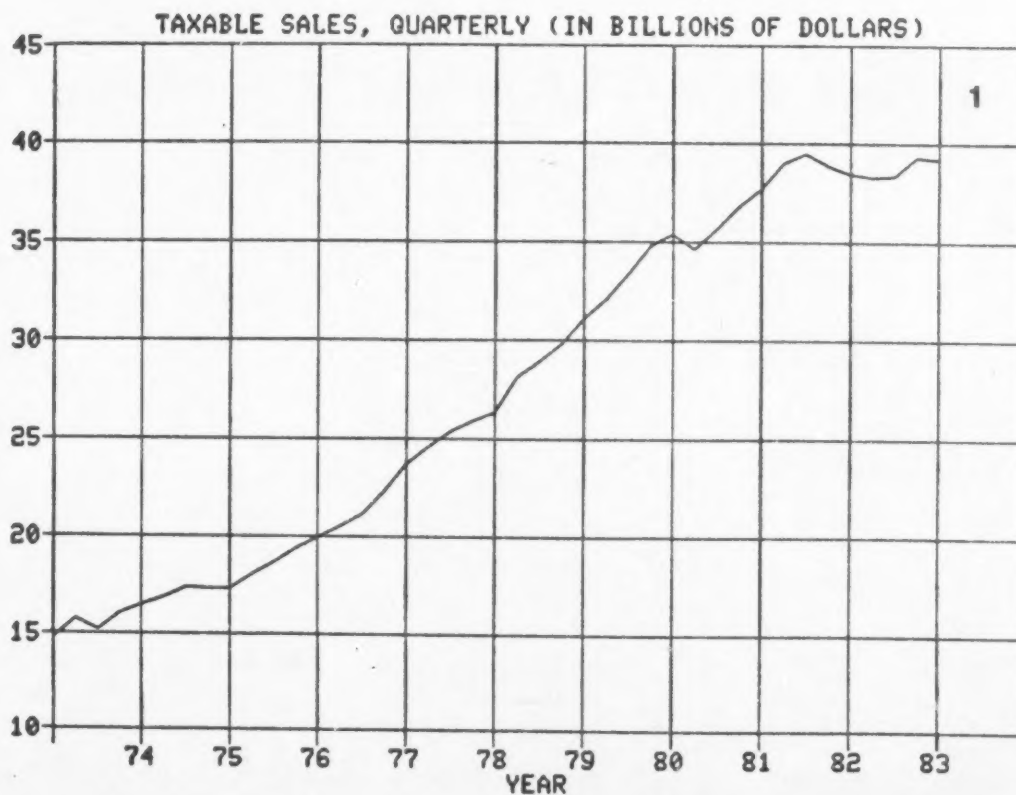
INCOME



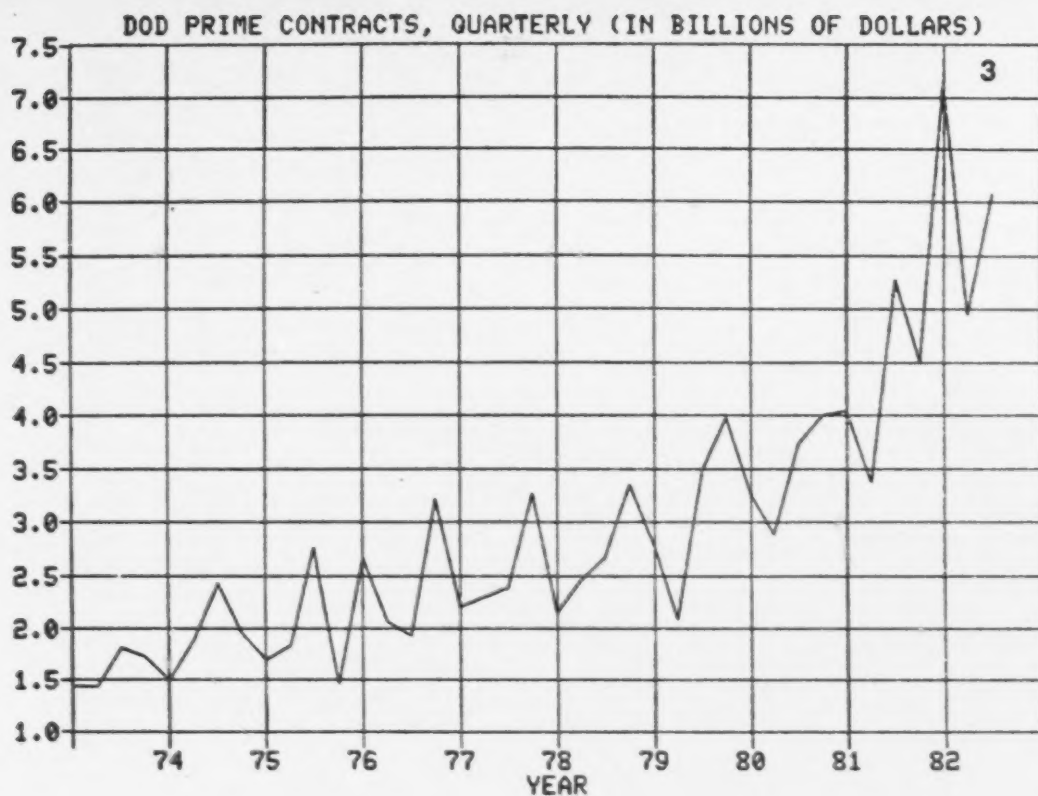
WAGES AND SALARIES



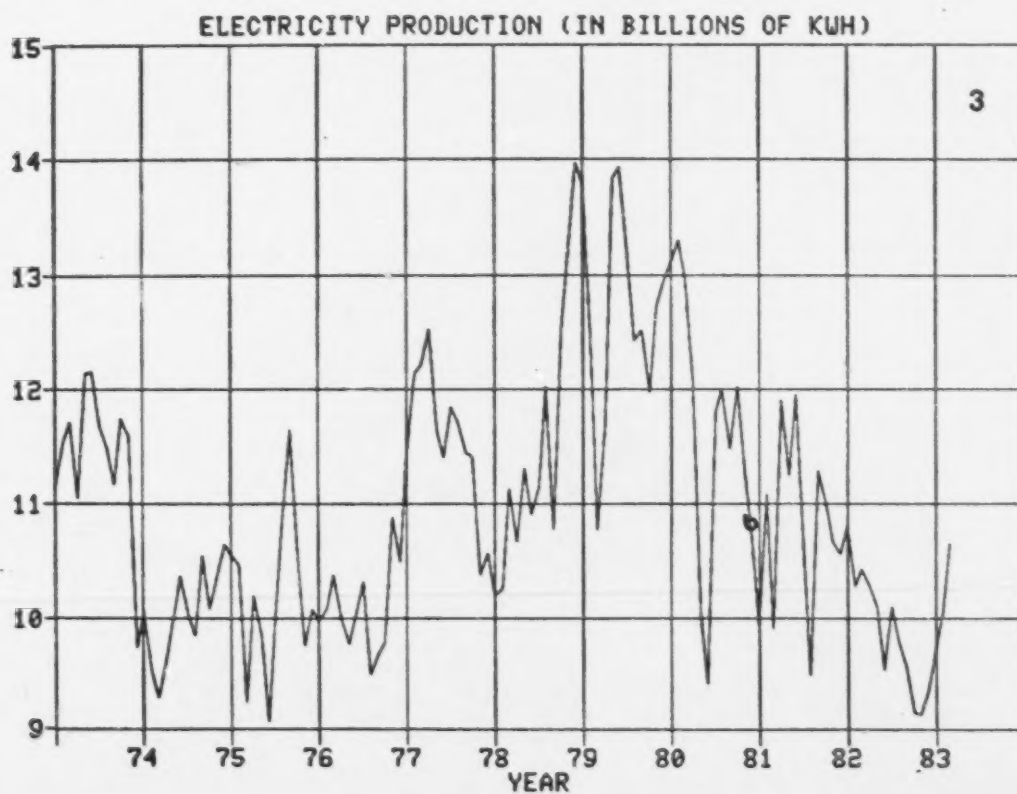
SALES



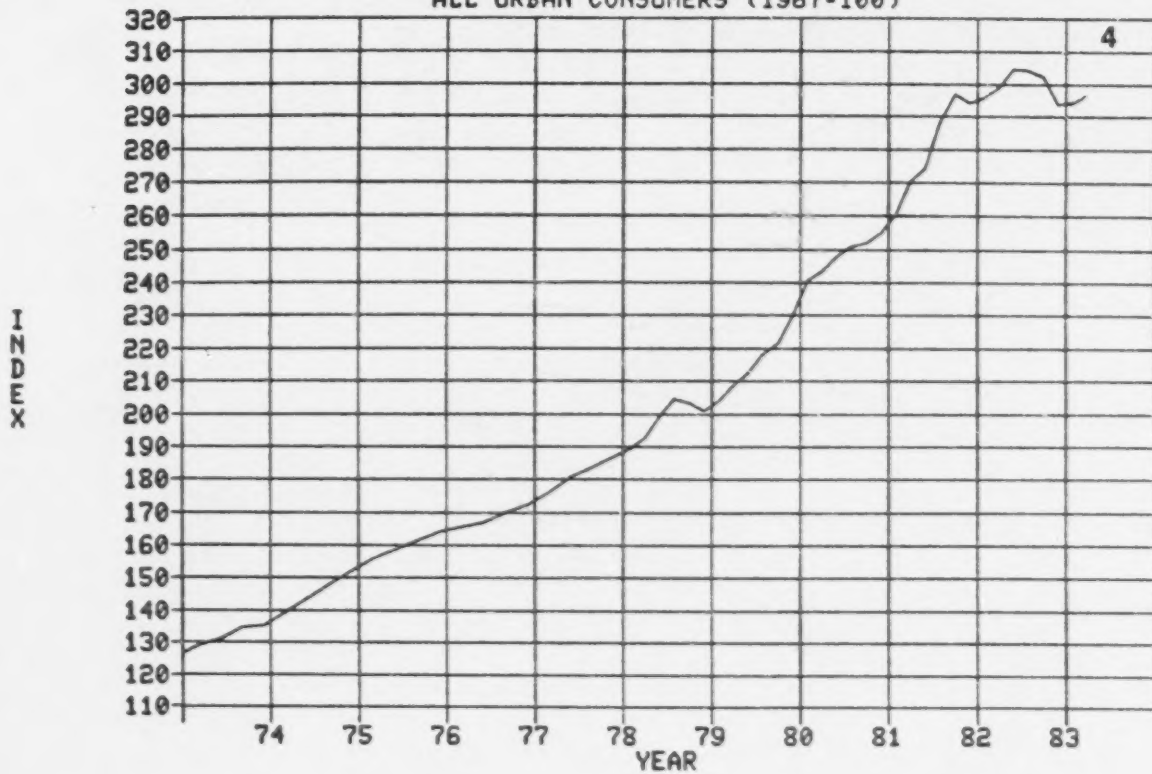
CONTRACTS



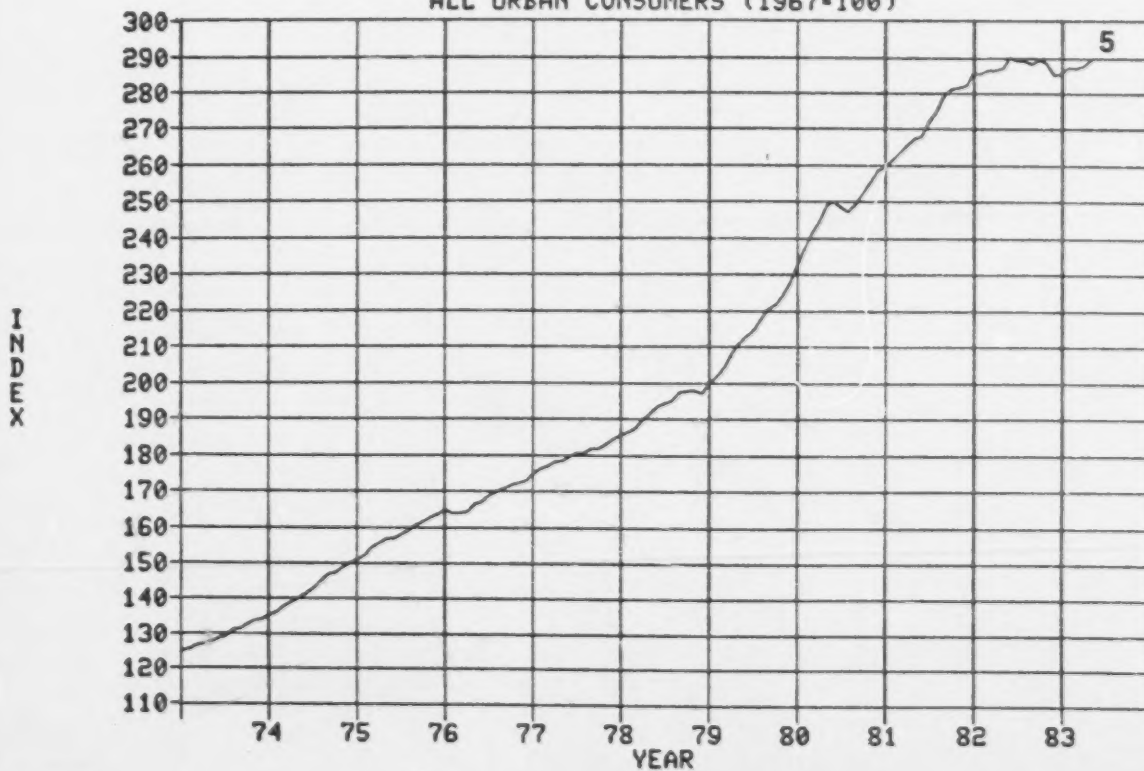
PRODUCTION



CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators						
	Index of Leading Indicators ^{r/} (1972=100)	Average Weekly Hours, Manufac- turing	Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufac- turing	Total Housing Units Authorized ^{r/} (thousands)	New Business Incorporations
<u>1980</u>							
January	126.4	39.4	151.8	56.8	3.1	172.5	4,842
February	129.1	39.5	156.7	55.6	3.1	193.2	5,268
March	126.1	39.7	150.0	57.1	3.2	131.8	4,456
April	123.3	39.6	135.7	59.3	3.1	112.3	4,553
May	121.1	39.4	120.7	61.6	2.9	92.4	4,279
June	122.4	39.3	128.7	62.0	2.8	117.6	3,851
July	125.8	39.4	126.9	60.2	2.8	150.7	4,568
August	127.7	39.4	126.1	58.0	2.9	150.6	4,659
September	139.6	39.6	127.4	57.3	3.0	179.2	4,686
October	130.5	39.3	130.7	54.9	3.0	162.6	5,438
November	132.4	39.6	139.4	53.8	3.1	155.4	4,609
December	131.1	39.6	128.9	58.9	3.2	145.5	5,063
<u>1981</u>							
January	131.3	39.7	126.9	53.2	3.1	128.8	4,932
February	131.3	39.8	130.2	54.7	2.8	148.2	5,182
March	131.3	39.6	129.5	56.1	3.0	130.9	4,853
April	132.0	39.7	128.6	54.2	2.8	158.5	5,090
May	131.5	39.8	127.8	55.5	3.0	131.0	4,745
June	131.9	39.7	133.0	53.7	3.0	109.5	5,132
July	129.9	39.5	127.6	59.1	3.0	96.2	5,076
August	129.0	39.7	123.8	59.5	3.0	86.3	4,569
September	126.5	39.5	118.4	62.4	3.0	83.6	5,092
October	123.2	39.5	106.4	65.4	2.7	68.1	4,913
November	122.8	39.4	109.0	66.1	2.7	64.5	4,611
December	122.1	39.6	100.6	66.7	2.6	67.7	4,660
<u>1982</u>							
January	122.5	39.7	101.0	60.4	2.6	72.4	4,116
February	121.2	39.5	95.1	64.2	2.6	66.0	4,577
March	119.6	39.2	93.5	69.8	2.5	74.3	4,847
April	119.4	39.3	87.8	76.4	2.6	70.3	4,494
May	120.8	39.3	87.1	68.6	2.6	78.1	4,723
June	118.9	39.4	81.2	71.7	2.5	90.9	4,446
July	118.0	39.3	76.3	72.3	2.5	101.0	4,176
August	116.3	39.2	76.3	75.5	2.4	68.5	4,240
September	116.2	39.0	71.5	78.5	2.3	73.4	4,321
October	117.9	39.1	70.3	75.3	2.4	88.7	4,059
November	118.2	39.0	69.4	80.3	2.4	93.4	4,431
December	119.5	38.9	69.8	76.0	2.4	127.5	4,596
<u>1983</u>							
January	121.3	39.2	71.7	68.1	2.4	130.9	4,257
February	123.2	39.6	71.4	71.6	2.5	141.7	4,630
March	124.0	39.4	75.4	75.3	2.7	116.9	4,704
April	128.7	40.2	78.7	69.6	2.9	160.1	4,595
May	129.9	39.9	86.9	67.6	2.8	167.1	4,767

^{r/}Revised.

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators					Other Indicators	
	Nonagri- cultural Employment (thousands)	Wages and Salaries in Mining, Manu- facturing and Construction (mil dol.)	Unemploy- ment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)	Taxable Sales (mil dol.)	Manufac- turing Employment (thousands)
<u>1980</u>							
January	9,816.9		5.9	312			2,025.7
February	9,878.3	45,261	6.1	325	248,487	35,423	2,031.9
March	9,883.5		6.0	337			2,029.7
April	9,857.9		6.9	346			2,017.9
May	9,838.9	45,632	7.2	362	251,650	34,703	2,005.3
June	9,812.1		7.4	388			1,993.2
July	9,762.8		6.9	404			1,987.0
August	9,806.5	46,669	7.4	395	261,197	35,714	1,987.4
September	9,835.9		7.2	412			1,994.0
October	9,886.8		7.1	416			2,004.5
November	9,900.0	49,837	7.4	382	272,878	36,835	2,006.4
December	9,925.1		6.3	393			2,007.0
<u>1981</u>							
January	9,966.3		7.3	345			2,020.8
February	9,957.5	48,760	7.4	370	274,969	37,688	2,017.7
March	9,961.2		7.1	368			2,015.4
April	10,012.4		7.1	356			2,026.3
May	10,028.0	51,610	6.7	344	283,748	39,015	2,033.7
June	10,044.5		7.0	350			2,036.6
July	10,021.5		7.2	354			2,040.9
August	10,028.4	52,813	7.0	366	294,060	39,478	2,031.8
September	10,016.6		7.5	380			2,023.8
October	10,010.8		8.1	385			2,020.3
November	9,963.0	54,434	8.0	413	301,146	38,891	2,003.0
December	9,945.0		8.6	459			2,000.9
<u>1982</u>							
January	9,930.7		8.7	412			1,987.0
February	9,921.3	53,457	8.9	442	301,961	38,488	1,980.0
March	9,903.1		9.3	467			1,974.0
April	9,861.9		9.3	504			1,958.3
May	9,850.0	53,953	9.6	508	308,771	38,301	1,946.7
June	9,843.8		9.6	539			1,936.0
July	9,873.5		10.5	514			1,956.7
August	9,859.6	54,134	10.3	542	312,832	38,391	1,942.4
September	9,848.0		10.2	549			1,932.2
October	9,810.6		10.7	571			1,916.9
November	9,787.8	54,301	11.1	587	317,638	39,324	1,904.6
December	9,763.1		11.0	586			1,902.1
<u>1983</u>							
January	9,821.8		11.0	505			1,919.4
February	9,819.4	54,592	11.2	533	319,392	39,192	1,919.4
March	9,821.4		10.6	542			1,908.7
April	9,863.0		9.8	518			1,917.4
May	9,885.3		10.5	509			1,926.5
June	9,921.1		10.3				1,925.4

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Other Indicators

Year and Month	DOD Prime Contracts (mil dol.) ^{b/}	Consumer Price Index (1967=100) ^{c/}				Net New S&L Savings ^{c/,e/} (mil dol.)	Electricity Production (mil KWH)
		San Francisco		Los Angeles			
		Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban		
<u>1980</u>							
January		--	--	235.0	232.6	234	13,103
February	3,462	240.0	240.7	240.0	237.6	106	13,296
March		--	--	243.9	241.3	-536	12,966
April		242.8	243.5	247.8	244.6	-517	12,032
May	3,397	--	--	252.6	249.1	225	10,019
June		247.7	248.0	253.4	250.1	-33	9,407
July		--	--	251.5	248.7	-25	11,788
August	3,602	251.4	251.0	250.1	247.3	210	12,002
September		--	--	251.6	249.6	-87	11,489
October		252.6	251.9	254.9	252.6	310	12,024
November	3,473	--	--	258.4	255.5	-160	11,345
December		255.7	254.9	262.2	258.7	379	10,684
<u>1981</u>							
January		--	--	262.7	259.4	-241	9,935
February	4,197	261.6	260.5	265.0	261.6	-2	11,078
March		--	--	266.5	263.3	-753	9,904
April		270.9	270.3	269.1	265.5	-830	11,906
May	4,057	--	--	270.7	267.3	-44	11,254
June		274.3	274.0	271.7	267.9	-1,539	11,958
July		--	--	276.3	272.2	-1,020	10,635
August	4,983	287.2	287.9	278.6	274.8	-1,016	9,487
September		--	--	282.9	279.3	-541	11,280
October		295.6	297.0	284.9	281.3	667	11,001
November	3,957	--	--	285.5	281.8	-385	10,676
December		292.7	294.0	286.1	282.3	-110	10,562
<u>1982</u>							
January		--	--	289.8	285.6	384	10,806
February	7,338	249.9	295.8	289.4	285.6	172	10,284
March		--	--	290.4	286.6	-181	10,428
April		297.8	298.8	290.5	286.8	-1,085	10,285
May	6,015	--	--	290.6	287.1	-47	10,089
June		303.4	304.6	293.9	290.1	-1,140	9,534
July		--	--	293.0	289.3	-143	10,099
August	5,694	302.8	304.3	292.8	289.1	-412	9,796
September		--	--	291.7	288.2	78	9,560
October		301.3	302.4	292.8	289.5	-615	9,144
November		--	--	291.6	288.5	779	9,129
December		293.6	293.9	288.0	285.3	3,494	9,349
<u>1983</u>							
January		--	--	288.0	285.6	5,805	9,693
February		293.9	297.3	290.1	286.8	2,757	10,054
March		--	--	289.6	287.1	1,992	10,657
April		294.7	299.3	290.2	289.5	2,301	
May		--	--	292.1	292.0	2,381	

a/Annual basis.

b/Quarterly data.

c/Not adjusted for seasonal variation.

d/Discontinued pending release of new series.

e/New to the Economic Indicators. Demand deposits and commercial and industrial loan data will no longer be included.

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1969</u>		<u>1970--Continued</u>	
January 1	Social security contribution rate increased to combined 9.6 percent.	November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.	November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.	November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.	December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.	December 20	13-week extended duration unemployment benefits in effect.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.	December 22	Prime rate reduced from 7 percent to 6-3/4 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.	<u>1971</u>	
October 27-February 1970	General Electric strike.	January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
<u>1970</u>		January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.	January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.	January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.	January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.	January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
April 2-June 2	Teamster strike.	February 4	Rolls Royce bankruptcy announced.
May 6	Stock margin requirement cut from 80 percent to 65 percent.	February 9	Los Angeles earthquake.
July 1	Personal income tax surcharge removed.	February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
September 14-November 23	UAW strike against GM.	February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.	February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

<u>1971--Continued</u>		<u>1971--Continued</u>	
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.	November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to January 1, 1971. Contribution base raised to \$9,000 effective January 1, 1972.	November 14	Phase II of NEP in effect.
March 25	SST program terminated.	December 6	Stock margin requirements cut from 65 percent to 55 percent.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.	December 10	Revenue Act of 1971 signed into law.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.	December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.		Intent to devalue U.S. dollar announced.
May 17-18	Rail strike.	<u>1972</u>	
June 1-July 27	Communications workers strike against Western Union.	January 17-February 20	West Coast dock strike continued.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.	February 1-March 15	Kaiser Steel Company strike.
June 29-July 16	Northern California construction strike.	July 1	20 percent increase in social security benefits signed into law. Effective September.
July 1-October 6	West Coast dock strike.	September 11	Opening of BART Fremont-Oakland line.
July 14-August 2	Telephone strike.	September 21	"Friends of Mammoth" decision.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.	November 24	Stock margin requirements raised to 65 percent.
July 16-August 2	Rail strike.	<u>1973</u>	
July 31	Steel strike averted by accord on contract.	January 11	Phase III of NEP in effect.
August 2	Lockheed loan guarantee approval.	January 15	Discount rate raised from 4-1/2 percent to 5 percent.
August 3	Teamsters walkout in Northern California against building contractors.	January 27	Viet Nam cease fire signed.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.	January 29	Opening of BART Richmond-Oakland line.
October 1	East and Gulf Coast longshoremen's strike.	February 12	10 percent devaluation of U.S. dollar announced.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.	March 2	Major foreign currency exchanges closed.
		March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

<u>1973</u>		<u>1974--Continued</u>	
April 9-13	Consumer meat boycott.	April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.	June 17-August 4	San Diego construction strike.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.	June 17-July 21	Northern California construction strike.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.	July 1-Mid-August	Southern California construction strike.
June 14	60-day price freeze announced.	July 1	Transit strikes, San Francisco Bay Area.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.	August 2-October 21	Los Angeles area transit strike.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.	August 8	Resignation of President Nixon announced.
July 18	Phase IV announced.	August 14	FHA mortgage rate raised to 9-1/2 percent. Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
August 27	Prime rate at 9-3/4 percent in major institutions.		
October 17	Arab nations announce reductions in oil shipment.	October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 5-December 18	TWA strike.	November 12-December 9	Coal strike.
<u>1974</u>		<u>1975</u>	
January 3	Stock margin requirements cut from 65 percent to 50 percent.	January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
February 1-11	Independent truckers strike, midwest and east coast.	January 10	Oil Chemical Atomic Workers Union strike.
February 15	Prime rate reduced to 9 percent.	January 13	Prime rate reduced to 10 percent. Further major cuts as follows: January 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
February 22	Prime rate reduced to 8-3/4 percent.	January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
March 4	California minimum wage increased to \$2.00 per hour from \$1.65.	February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.
March 18	Arab oil embargo lifted.		
March 27	Prime rate increased to 9 percent from 8-3/4 percent.		
March 28	Prime rate further increased to 9-1/2 percent.		
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.		
April 29	Prime rate up to 10-3/4 percent.		

CHRONOLOGY--Continued

<u>1975--Continued</u>		<u>1976--Continued</u>	
March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.	September 15-October 13	Auto workers strike.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.	October 18	California minimum wage raised to \$2.50 per hour.
March 25	King Faisal assassinated.	December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.
March 29	Tax reduction act signed into law.	<u>1977</u>	
May 19	Prime rate reduced to 7-1/4 percent by several major banks.	May 16	Prime rate raised to 6-1/2 percent.
June 10	Prime rate reduced to 7 percent by most banks.	May 31	Prime rate raised to 6-3/4 percent.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.....7-1/2 percent August 11.....7-3/4 percent September 15....8 percent	August 22	Prime rate raised to 7 percent.
September 1	National Airlines strike.	August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.	September 16	Prime rate raised to 7-1/4 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31.....7-1/2 percent November 21.....7-1/4 percent	October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
December 5-19	United Airlines strike.	October 7	Prime rate raised to 7-1/2 percent.
<u>1976</u>		October 10-January 4	IAM-Lockheed strike.
January 12	Prime rate lowered to 7 percent.	October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.	October 26	Discount rate raised from 5-3/4 percent to 6 percent.
January 21	Prime rate reduced to 6-3/4 percent.	December 6-March 24	United Mine Workers strike.
April 1-3	Teamsters strike.	<u>1978</u>	
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.	January 1	U.S. minimum wage increased to \$2.65 per hour.
April 21	Rubber workers strike.	January 9	Discount rate raised from 6 percent to 6-1/2 percent.
July 20-August 2	Cannery workers strike.	January 10	Prime rate raised to 8 percent.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4.....6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent	February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
		April 1	California minimum wage increased from \$2.50 to \$2.65 per hour.
		April 1-May 28	United Airlines strike.
		May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

<u>1978--Continued</u>		<u>1978--Continued</u>	
May 8	California savings and loan associations raised mortgage rates from 9-3/4 percent to 10 percent.	October 12	Prime rate raised from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.	October 15	Tax cut and energy bills passed by Congress.
May 23	Federal funds rate increased to 7-1/2 percent.	October 16	Discount rate raised from 8 percent to 8-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.	October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.	October 24	Prime rate raised from 10 percent to 10-1/4 percent.
June 6	Proposition 13 approved by California voters.		California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
June 16	Prime rate raised to 8-3/4 percent.	October 24	Phase II announced: voluntary guidelines on wages and prices.
June 20	OPEC announced a freeze on crude oil prices until December 16.	November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.		Prime rate raised to 10-1/2 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.	November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
June 30	Prime rate raised to 9 percent.	November 13	Prime rate raised from 10-3/4 percent to 11 percent.
July 10	Discount rate raised to 7-1/4 percent.	November 24	Prime rate raised to 11-1/2 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.	November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
August 20	Retail clerks union strike in Southern California.	December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
August 21	Discount rate raised to 7-3/4 percent.	December 19	Federal funds rate raised to 10 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.	December 20	Prime rate raised to 11-3/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.		<u>1979</u>
September 15	Prime rate raised to 9-1/2 percent.	January 1	U.S. minimum wage increased to \$2.90 per hour.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.	January 13	Prime rate reduced to 11-1/2 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.	March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
		March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

CHRONOLOGY--Continued

<u>1979--Continued</u>		<u>1980--Continued</u>	
March 31	United Airlines-machinist strike.	March 14	Announcement of tighter fiscal policies.
April 1-10	Teamsters strike.	March 17	Three percent discount rate surcharge imposed.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.	March 18	Prime rate raised to 19 percent.
May 19	Federal funds rate set at 7-1/4 percent.	April 2	Prime rate raised to 20 percent.
May 26	United Airlines strike ended.	April 3	FHA mortgages raised to 14 percent.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.	April 20	Prime rate reduced to 19-1/2 percent.
June 12	Prime rate reduced to 11-1/2 percent.	April 28	FHA mortgages reduced to 13 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.	May 5	Prime rate reduced to 18 percent.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.	May 7	Prime rate reduced to 17 percent.
August 16	Discount rate raised to 10-1/2 percent.	May 8	Discount rate surcharge reimposed.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.	May 12	Prime rate reduced to 16-1/2 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.	May 19	Prime rate reduced to 16 percent.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.	May 28	Discount rate lowered to 12 percent from 13 percent.
August 31-November 21	BART strike.	June 4	Prime rate reduced to 13 percent.
September 4	Federal funds rate raised from 11-1/2 percent	June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
<u>1980</u>		June 20	Prime rate reduced to 12 percent.
February 25	Prime rate raised to 16-1/2 percent.	June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.	June 25	Carpenters strike in Northern California ended.
February 29	Prime rate raised to 16-3/4 percent.	July 3	ICC begins trucking industry deregulation.
March 4	Prime rate raised to 17-1/4 percent.	July 21	Motion picture and television industry strike.
March 7	Prime rate raised to 17-3/4 percent.	July 22	Prime rate reduced to 11 percent.
March 13	Prime rate raised to 18-1/4 percent.	July 25	Prime rate reduced to 10-3/4 percent.

CHRONOLOGY--Continued

<u>1980--Continued</u>		<u>1981</u>	
July 28	Discount rate reduced to 10 percent.	January 1	Minimum wage raised from \$3.10 to \$3.35.
August 5	Prime rate raised to 11 percent.	January 6	Prime lowered to 20 percent.
August 27	Prime rate raised to 11-1/2 percent.	January 20	American hostages released from Iran.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.	January 20	Ronald Reagan inaugurated as 40th President of the U.S.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.	January 28	Deregulation of oil and gas industry announced, effective immediately.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.	January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.	February 16	General Motors and Ford rebate plans announced.
October 2	Prime raised from 13 to 13-1/2 percent.	February 23	Prime rate lowered to 18 percent.
October 3	Prime raised to 14 percent.	March 2	Prime rate lowered to 18-1/2 percent.
October 15	AFTA workers return to work.	March 10	Prime rate lowered to 18 percent.
October 23	Screen Actors Guild strike ends.	March 16	Prime rate lowered to 17-1/2 percent.
October 30	Prime raised from 14 to 14-1/2 percent.	March 18	Prime rate lowered to 17 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.	March 26	United mine workers strike.
November 14	PSA pilots strike ends.	April 13	Prime rate raised to 17-1/2 percent.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.	April 29	Prime rate raised to 18 percent.
November 21	Prime raised to 17 percent.	May 4	Prime rate raised to 19 percent.
November 28	Prime raised to 17-3/4 percent.	May 5	Discount rate raised from 13 percent to 14 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.	May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.	May 11	Prime rate raised to 19-1/2 percent.
December 11	Prime raised to 20 percent.	May 22	Prime rate raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.	May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
December 23	Prime lowered from 21 to 20-1/2 percent.	June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

<u>1981--(Continued)</u>		<u>1981--(Continued)</u>	
June 8	Coal miners end 72 day strike and ratify a 40-month contract.	December 12	Martial law imposed in Poland.
		<u>1982</u>	
July 8	Prime rate raised to 20-1/2 percent.	January 22	Federal funds rate raised to 13-1/2 percent.
August 3	Air traffic controller's strike.	January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
August 14	President Reagan signs both the tax- and budget-cut bills into law.	January 27	Federal funds rate raised to 13-3/4 percent.
August 18	FHA-1A rate up to 16-1/2 percent from 15-1/2 percent.	February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
September 1	Prime rate lowered to 20 percent.	February 18	Prime rate increased to 17 percent.
September 21	Prime rate lowered to 19-1/2 percent.	February 24	Prime rate cut back to 16-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.	March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
October 6	Prime rate lowered to 19 percent.	March 8	Prime rate lowered to 16 percent.
	Egyptian President Sadat assassinated.		
October 13	Prime rate lowered to 18 percent.	March 16	Prime rate back up to 16-1/2 percent.
October 30	OPEC price set at \$34.00/barrel--the Saudi benchmark.	April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at \$34/barrels.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.	April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
November 2	Fed discount rate cut from 14 percent to 13 percent.	April 12	General Motor and United Auto Workers labor agreement approved.
	Prime rate lowered to 17-1/2 percent.	April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
November 10	Prime rate lowered to 17 percent.	May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
November 13	Prime rate lowered to 16-1/2 percent.		
	FHA mortgage rate lowered to 15-1/2 percent.	May 13	Braniff Air Lines ceases operation.
November 16	Prime rate lowered to 16 percent.	June 25	Secretary of State Alexander Haig resigns.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.	June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.
December 1	Prime rate lowered to 15-1/2 percent.		
December 4	Fed discount rate lowered from 13 percent to 12 percent.		

CHRONOLOGY--Continued

1982--Continued

July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began. Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.
December 13	Discount rate cut to 8-1/2 percent.

1982 (Continued)

December 14	Introduction of money market deposit accounts by banks and S&Ls.
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1983

January 5	Super NOW accounts introduced.
January 11	Prime rate lowered to 11 percent.
January 31	Independent truckers strike begins.
February 10	Independent truckers strike end.
February 15	Toyota/GM agreement to build a small car in late 1984.
February 25	Prime rate lowered to 10-1/2 percent.
March 14	OPEC sets \$29 per barrel benchmark price and production quota of 17.5 million barrels.
May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
June 24	The Federal Budget deficit totalled a record \$29.29 billion in May.

SOURCES OF STATISTICAL SERIES

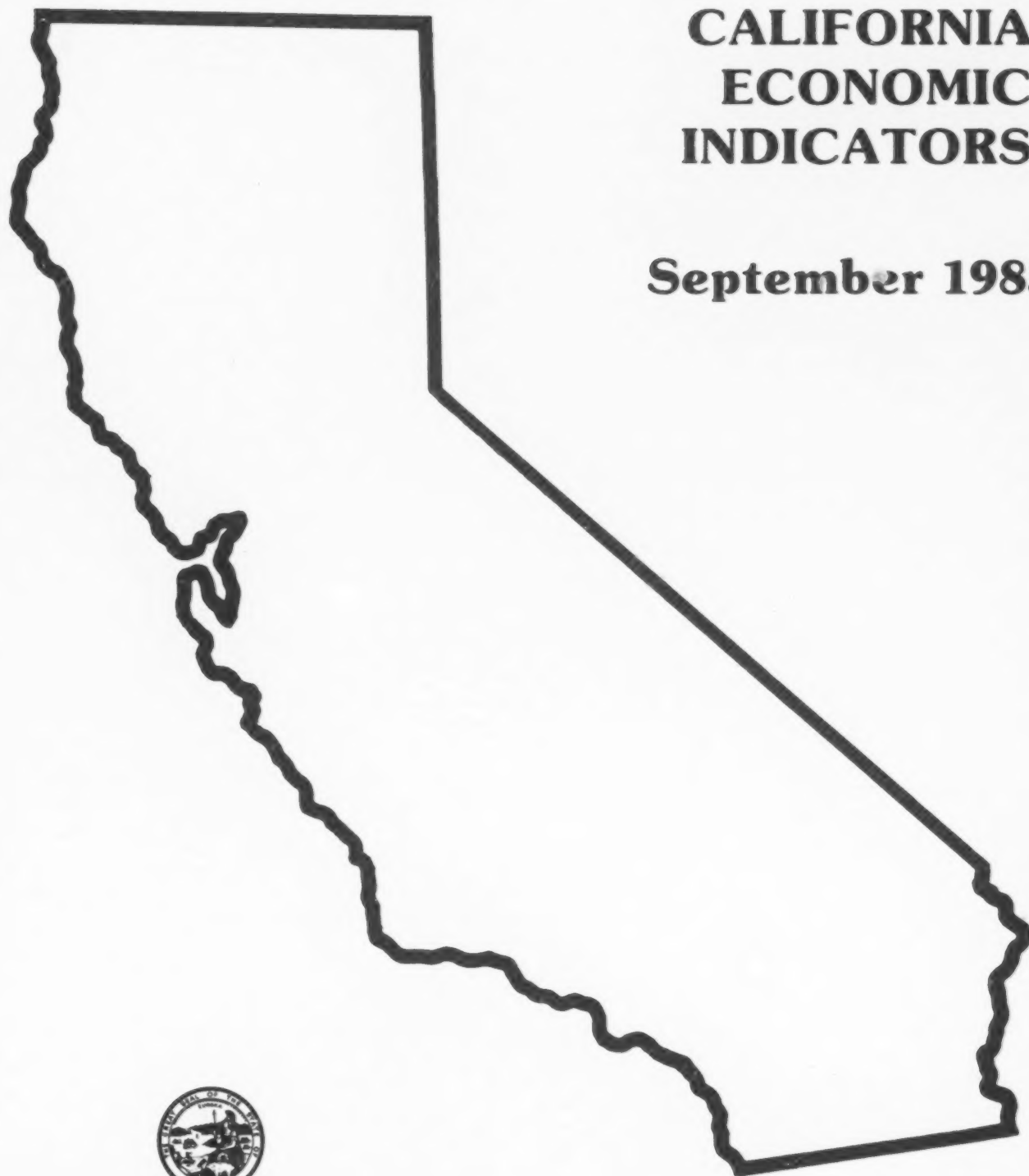
Employment Development Department Employment Data and Research	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	News business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

<u>Initial Trough</u>	<u>Peak</u>	<u>Terminal Trough</u>	<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		

CALIFORNIA ECONOMIC INDICATORS

September 1983



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- . review of economic developments
- . current California economic data table
- . economic indicator charts
- . basic data for California economic series
- . chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are \$5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

<u>Beginning Subscription Date</u>	<u>Prorated Amount Due</u>
January	\$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

REVIEW OF ECONOMIC DEVELOPMENTS

The California economy continues to show signs of a strengthening recovery including rising employment, a declining unemployment rate, strong retail sales, and improvements in a variety of other indicators.

The number of nonagricultural wage and salary jobs in the State declined by 0.3 percent in August, due to the telephone walkout. Excluding the strike-distorted transportation-utility sector, total nonagricultural employment rose 0.4 percent in August, a gain of 41,800 jobs since July and nearly 255,000 jobs since the December 1982 employment trough.

Employment growth is occurring primarily in the construction, durable manufacturing, trade, finance, and service sectors. The construction sector continues to show the most vigorous growth--up 1.7 percent in August and 7.5 percent since reaching its employment trough in March. Trade and services have experienced a more constant and steady growth since the end of 1982, posting an average monthly increase of about 0.4 percent.

Broad employment gains have not occurred in every sector, however. Mining, nondurable manufacturing, transportation-public utilities, and government continue to decline or post meager gains. The large drop in transportation and public utilities employment (T-U) was due to the nationwide telephone strike by the Communications Workers of America and two other unions. About 66,000 workers were involved. The labor settlement will cause an approximate 14 percent increase in September T-U employment. Apart from this, transportation and public utilities are not expected to reflect any major expansion until later in the recovery.

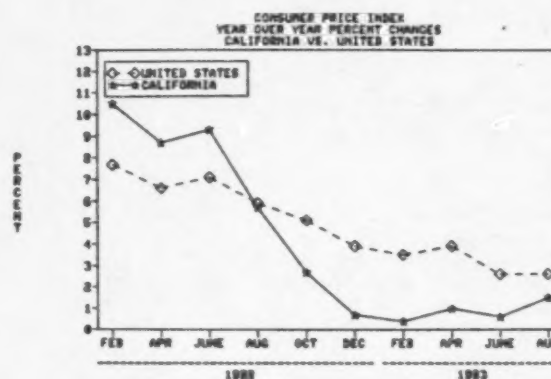
Civilian labor force and employment conditions are in a state of flux. The number of persons in the labor force has averaged 12,350,000 during the last four months, with the August level at 12,331,000. Civilian employment, although up 2.2 percent from its February trough, declined in both July and August. The number of persons unemployed, while down by more than 12 percent from its peak, increased almost 5 percent in the month of August. The net result of these divergent trends is that the unemployment rate has generally been moving downward since February. Civilian labor force and employment trends are expected to continue to be erratic for at least the next few months.

Housing unit authorizations were at a 157,300 rate in July. On June 13, 1983, new home construction energy standards went into effect. In the past, such changes in standards led to a surge in permits in the two months before the changes were

effective. This surge was followed by a significant fall-off in the following two months. It is still too early to tell if this pattern will be repeated. Complicating the situation is the recent rise in mortgage rates, which has dampened some of the earlier enthusiasm of potential home buyers.

California retail sales continue to improve. June retail sales, at \$12.2 billion, were 3.7 percent higher than May and 16.0 percent above June 1982. Year-over-year retail sales nationally were up by 11.4 percent. California's share of total U.S. retail sales rose from 11.6 percent in January, to 12.3 percent in June. New auto registrations have risen rapidly since June. The August level of 106,499 registrations was the highest monthly total since November 1978.

The rate of inflation in California remains quite low, especially when compared to the national rate. In August the California CPI was up 0.7 percent from the previous index in June, and only 1.5 percent above August 1982. Soft food prices were the primary source of moderation over the past two months. Also helping to hold down inflation were fuel and other utilities in San Francisco and medical costs in Los Angeles and San Diego. The U.S. CPI in August was up 2.6 percent compared to August 1982.



The California index of leading economic indicators increased for the 10th straight month in July. The 0.6 percent gain resulted from improvement in five of the eight indicators comprising the index: initial claims for unemployment insurance--which fell sharply, help-wanted ads, stock prices, and both average weekly and overtime hours.

CURRENT CALIFORNIA ECONOMIC DATA

CURRENT CALIFORNIA ECONOMIC DATA							
	1983				1982		Percent Change July 1982- July 1983
	July	June	May	April	July	June	
<u>Employment^{a/}</u>							
Civilian employment (000) - - - - -	12,294	12,459	12,301	12,153	12,266	12,228	0.2
Unemployment (000) - - - - -	1,147	1,286	1,294	1,191	1,289	1,175	-11.0
Unemployment rate - - - - -	9.3	10.3	10.5	9.8	10.5	9.6	--
<u>Nonagricultural wage and salary employment^{b/} (000)- - - - -</u>							
	9,875.8	9,967.4	9,925.2	9,902.7	9,873.5	9,843.8	1.0
Mining - - - - -	45.6	45.9	46.5	46.8	48.7	49.7	-6.4
Construction - - - - -	364.4	369.5	369.5	353.6	371.9	374.8	-2.0
Manufacturing - - - - -	1,929.9	1,933.5	1,927.8	1,918.7	1,956.7	1,936.0	-1.4
Aerospace ^{c/} - - - - -	647.7	642.0	636.6	635.6	645.6	642.1	0.3
Transportation and public utilities -	533.6	535.9	537.3	539.0	541.6	544.4	-1.5
Trade - - - - -	2,354.6	2,348.5	2,336.2	2,332.4	2,287.5	2,285.1	2.9
Finance, insurance, and real estate -	661.6	663.1	660.2	659.4	641.6	646.7	3.1
Services - - - - -	2,376.4	2,360.0	2,345.8	2,341.1	2,303.6	2,280.3	3.2
Government - - - - -	1,709.7	1,709.0	1,711.4	1,711.7	1,724.9	1,731.0	-0.9
Federal - - - - -	319.0	319.5	322.2	322.9	324.7	326.5	-1.8
State and local - - - - -	1,390.7	1,389.5	1,389.2	1,388.8	1,400.2	1,404.5	-0.7
<u>Hours and Earnings, Manufacturing</u>							
Average weekly hours - - - - -	39.7	40.0	39.7	39.7	38.9	39.2	2.1
Average weekly earnings - - - - -	\$379.14	\$380.40	\$376.36	\$375.36	\$362.16	\$362.60	4.7
Average hourly earnings - - - - -	\$9.55	\$9.51	\$9.48	\$9.46	\$9.31	\$9.25	2.6
Index of Leading Indicators - - - - -	n.a.	130.7	129.9	128.7	118.0	118.9	n.a.
<u>Trade</u>							
Retail sales (millions) - - - - -	n.a.	\$12,224	\$11,761	\$11,343	\$10,786	\$10,551	n.a.
New auto registrations (number) - - - -	95,945	94,089	80,382	84,124	66,875	80,275	n.a.
<u>Business</u>							
Business failures (number) - - - - -	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business liabilities (000) - - - - -	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New incorporations (number) - - - - -	4,841	4,900	4,538	4,457	4,728	4,831	2.4
<u>Consumer Price Index, all items^{d/}</u>							
California average (1967=100) - - - - -	--	299.9	--	296.0	--	298.0	--
San Francisco (1967=100) - - - - -	--	303.0	--	299.3	--	304.6	--
Los Angeles (1967=100) - - - - -	294.5	293.6	292.0	289.5	289.3	290.1	1.8
San Diego (1967=100) - - - - -	335.2	--	332.0	--	327.5	--	0.1
<u>Production</u>							
Petroleum (000 barrels daily) - - - - -	n.a.	1,116.8	1,120.3	1,109.1	1,102.0	1,099.1	n.a.
Portland cement (000 short tons)- - - -	n.a.	790.1	705.7	566.0	620.1	685.9	n.a.
Raw steel (000 net tons) - - - - -	133.9	129.0	133.7	107.3	106.2	121.6	26.1
Selected redwood mill production (mil. FBM)	79.3	89.1	94.1	83.1	75.0	61.2	5.7
<u>Construction</u>							
Private residential housing units authorized, SAAR (000)- - - - -	157.3	208.4	167.1	160.1	101.0	90.9	55.7
Nonresidential building authorized, valuation (millions)- - - - -	\$799.8	\$981.0	\$778.3	\$842.8	\$747.9	\$958.8	6.9

^{a/}Adjusted for seasonal variation.^{b/}Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.^{c/}The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.^{d/}All urban series. New basis since January 1983.^{e/}Preliminary estimate.^{f/}Revised.

n.a. Not available

FR:282901

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

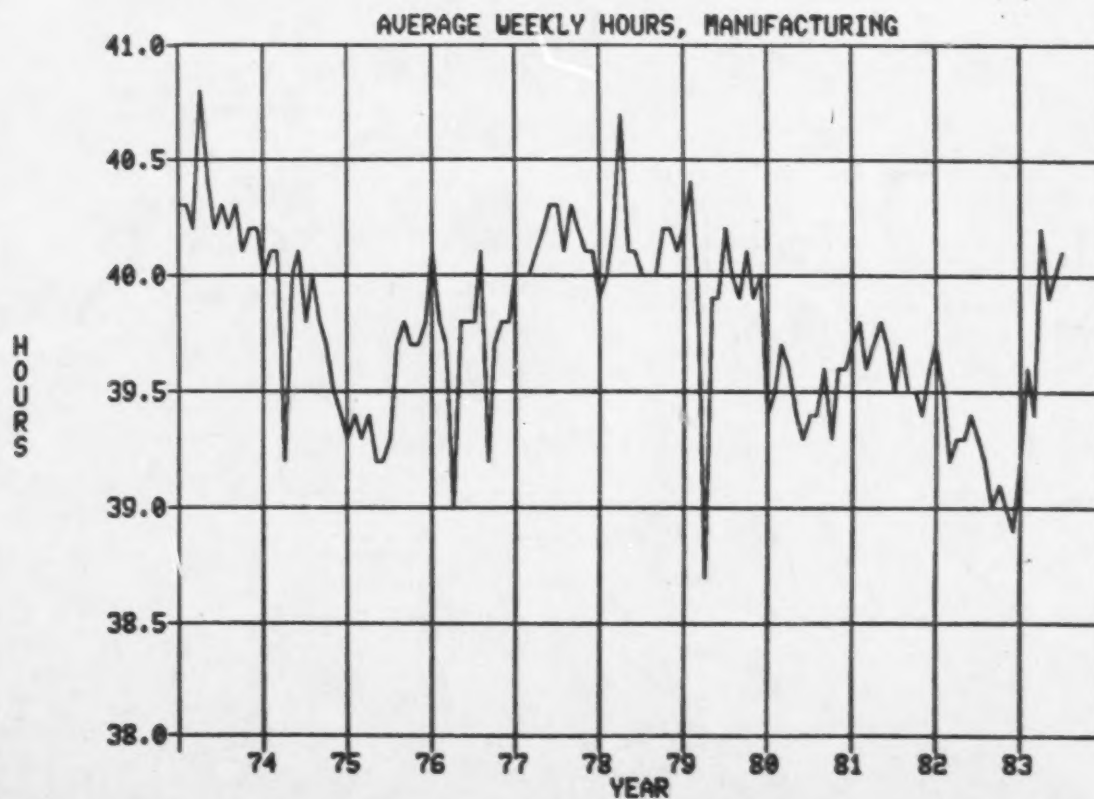
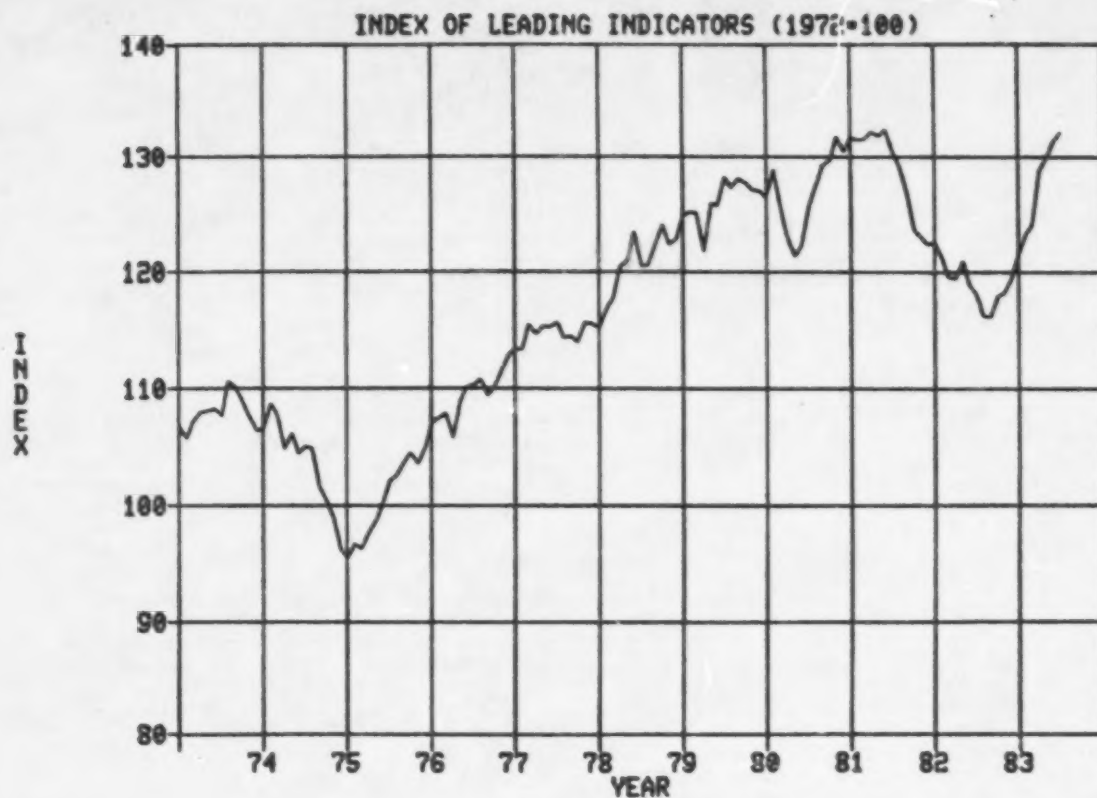
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

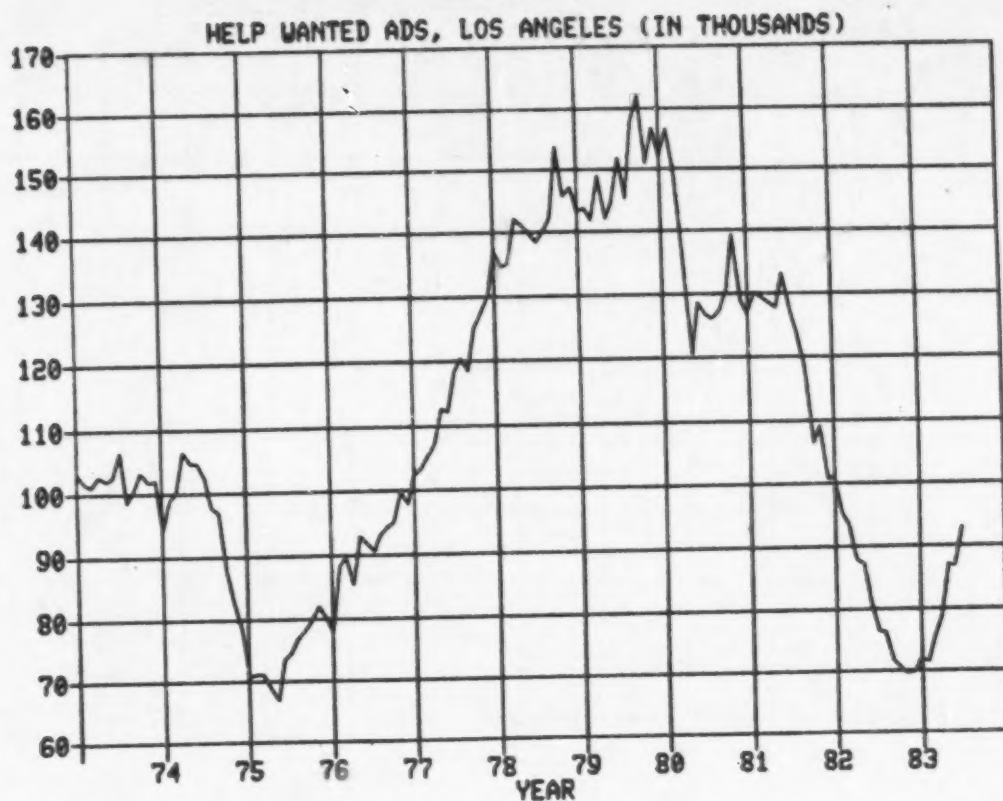
Standard Abbreviations

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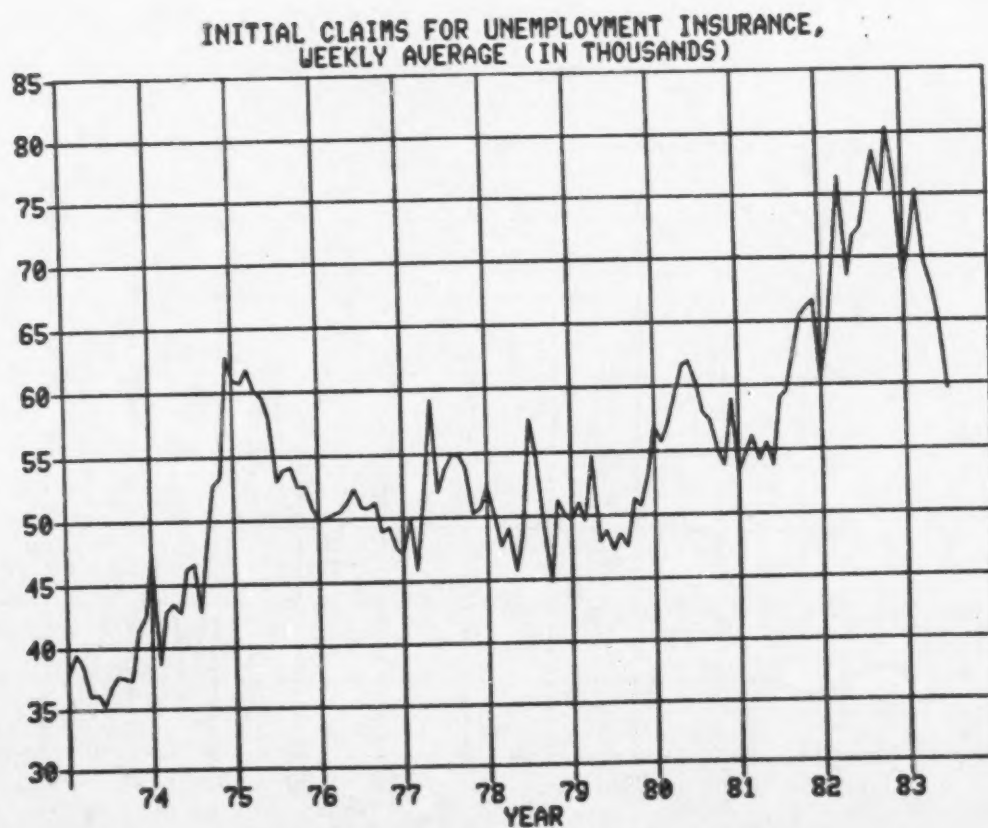
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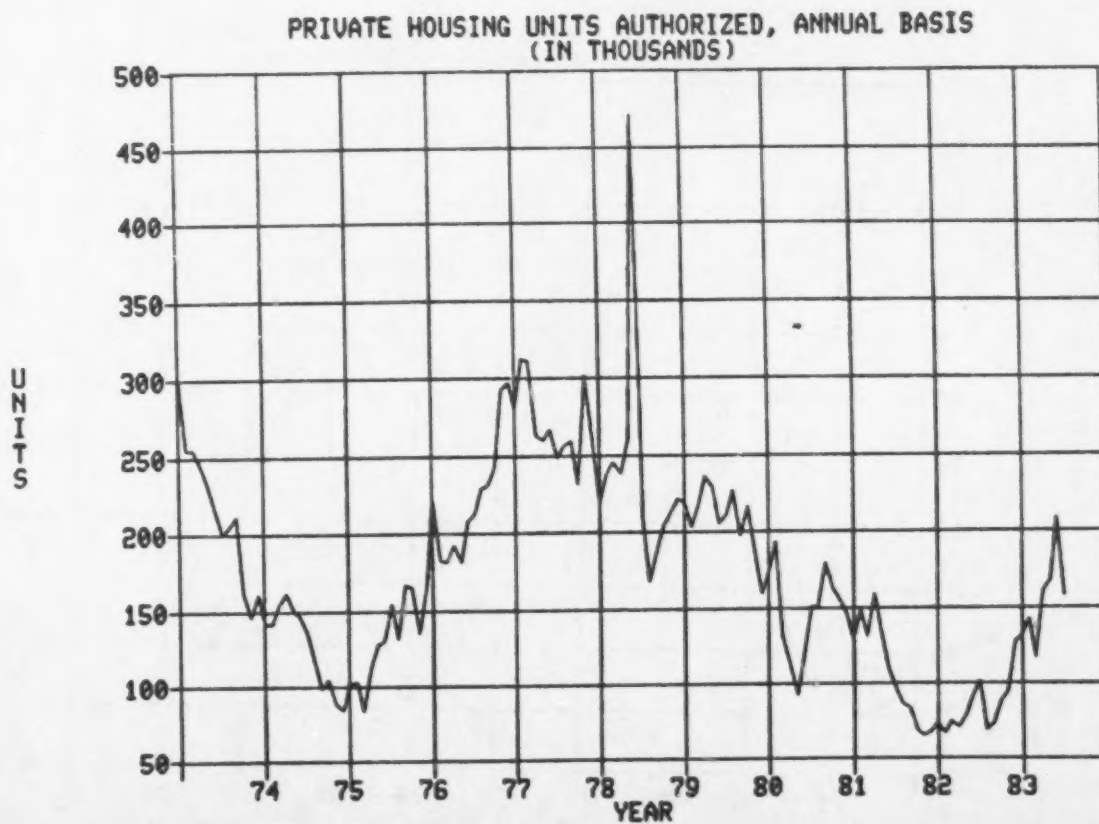
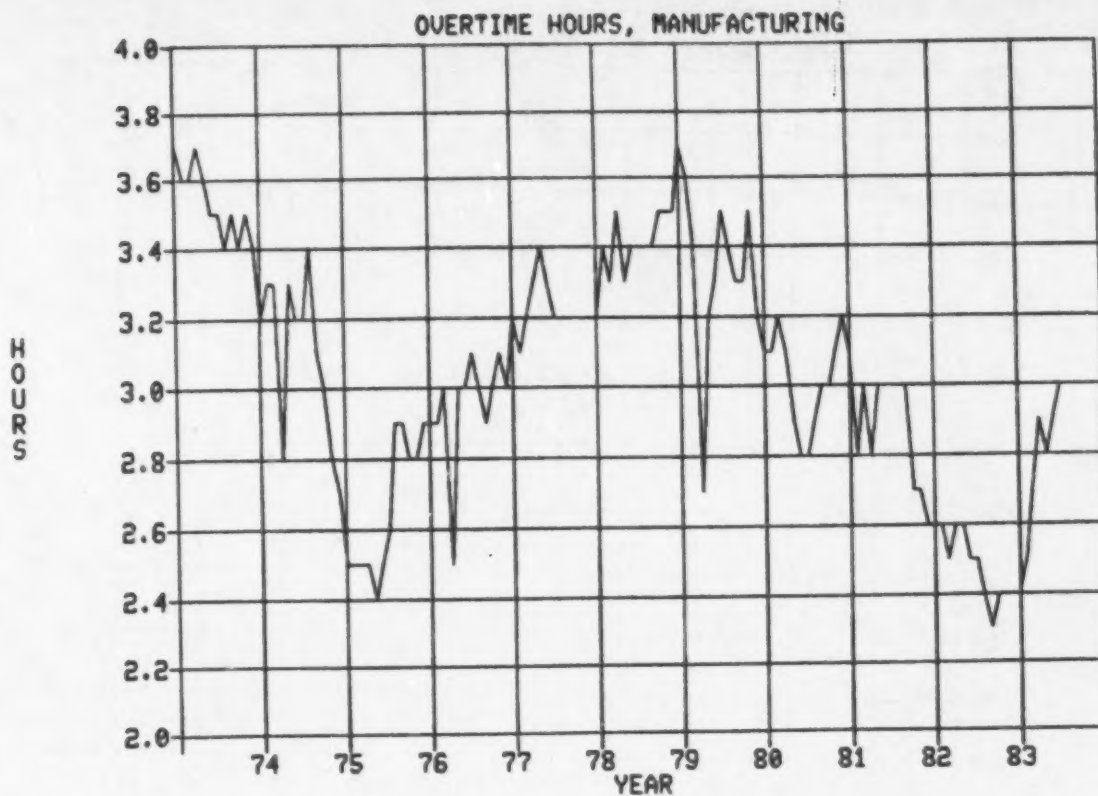


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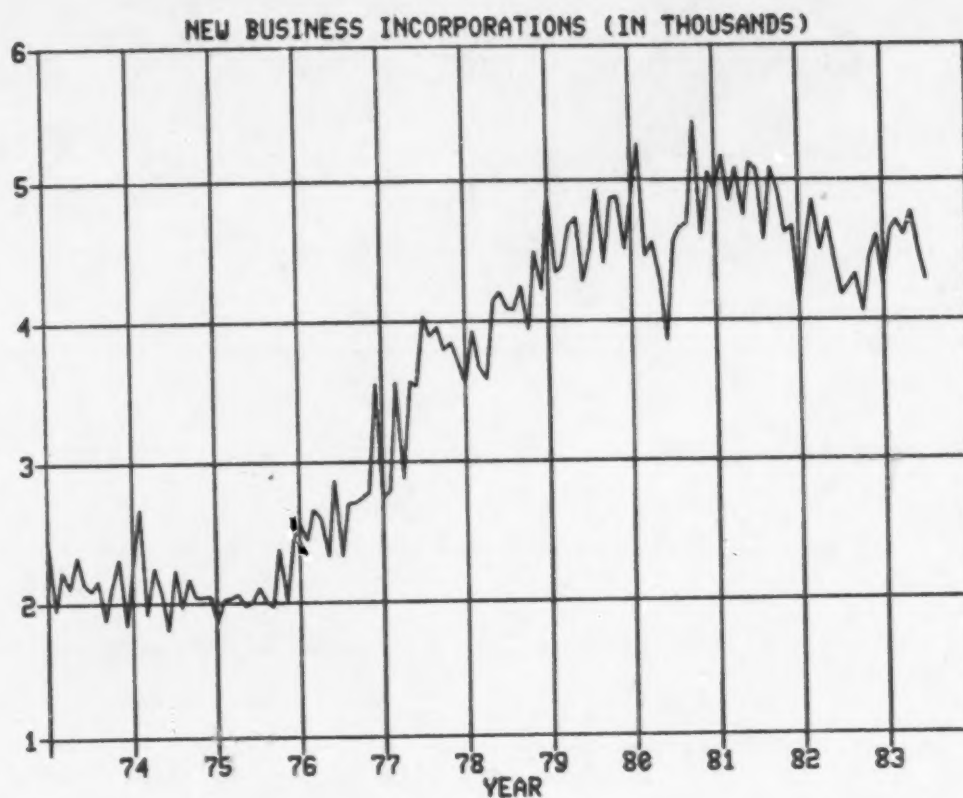


CLAIMS

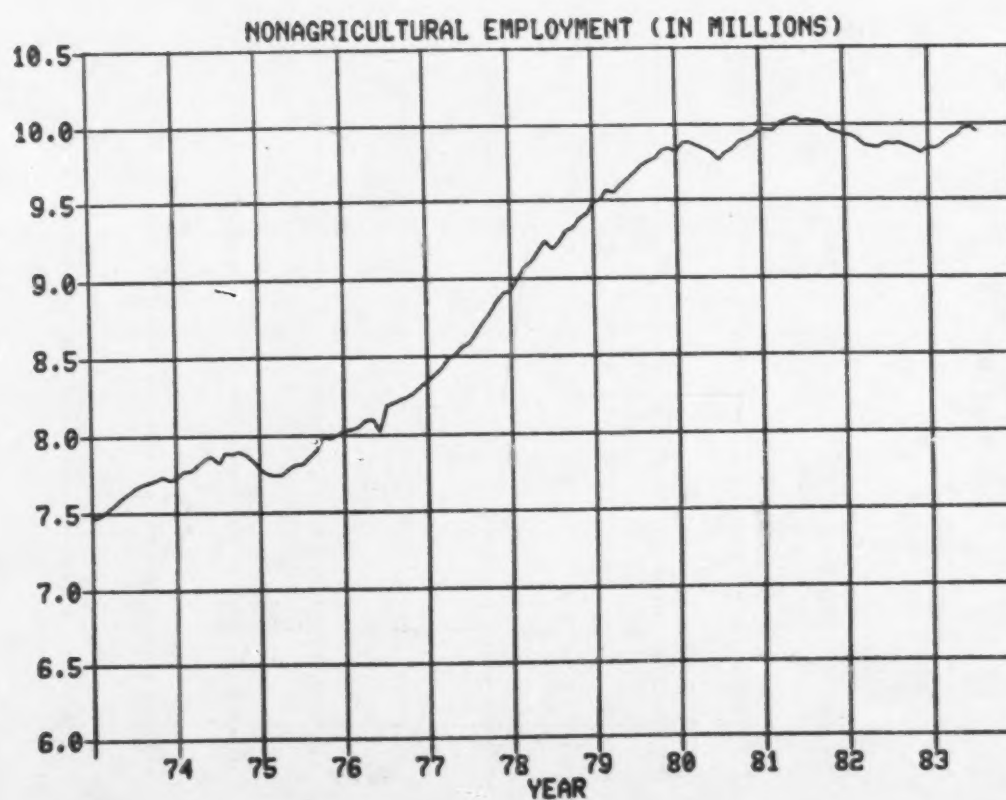


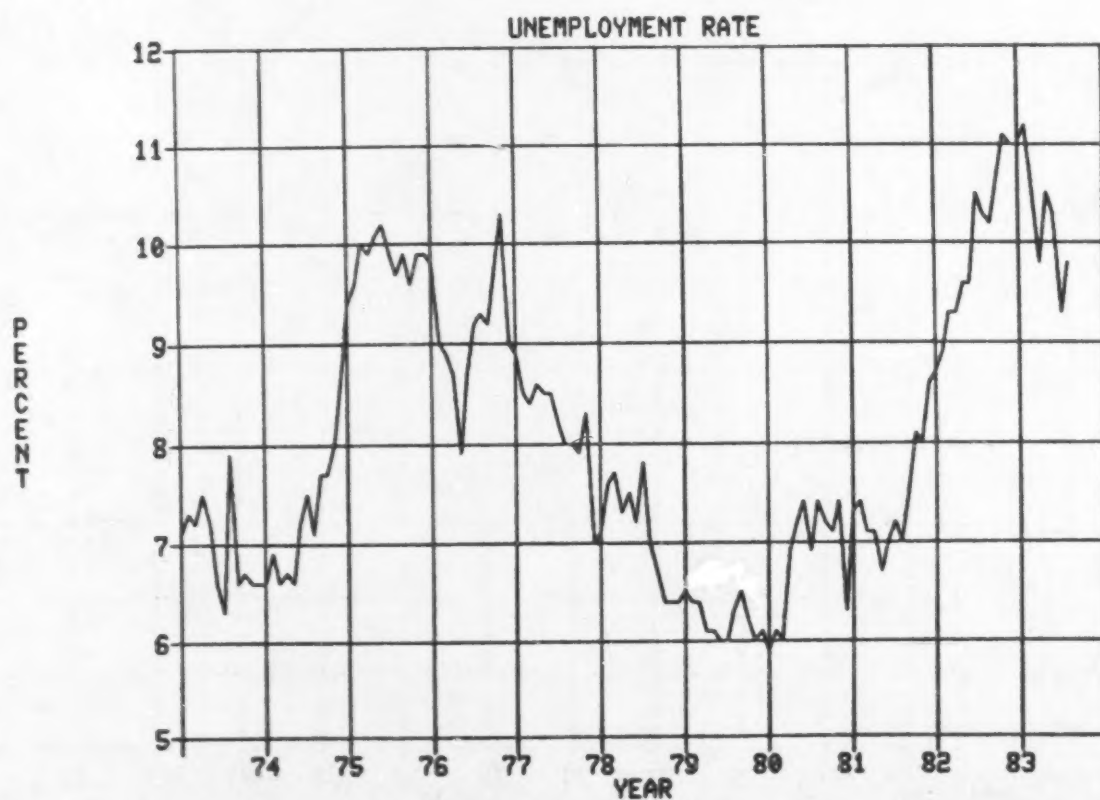
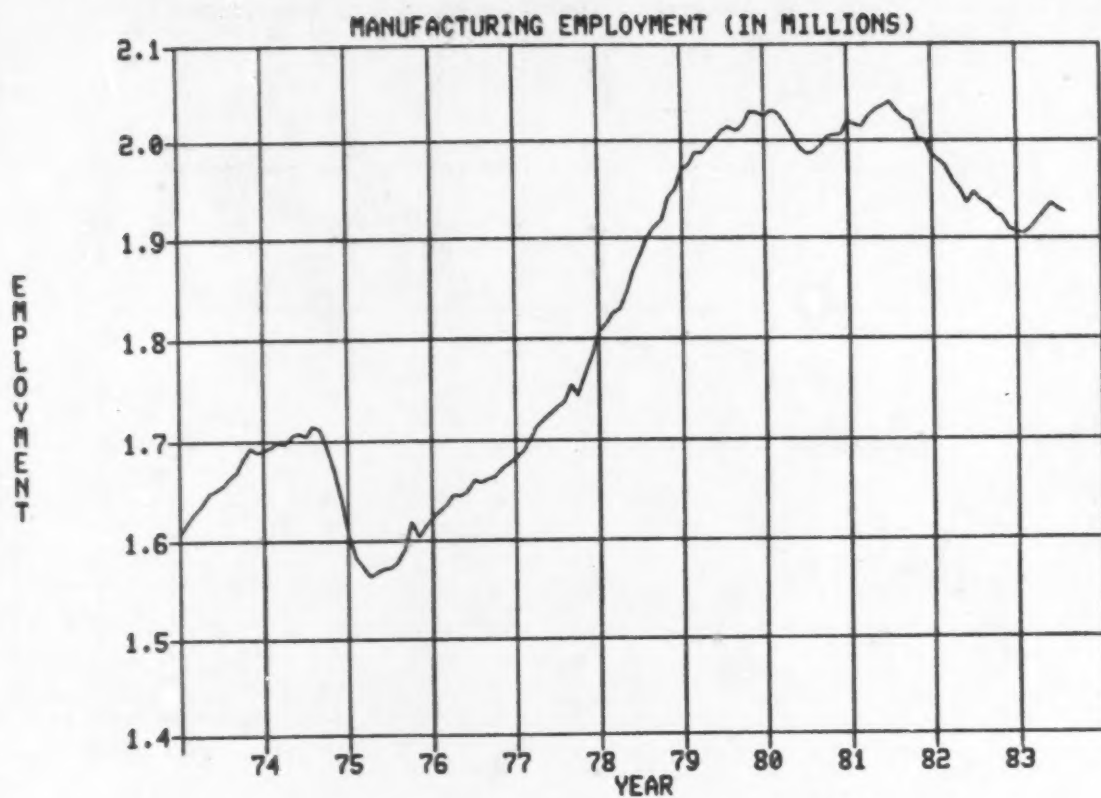


INCORPORATIONS

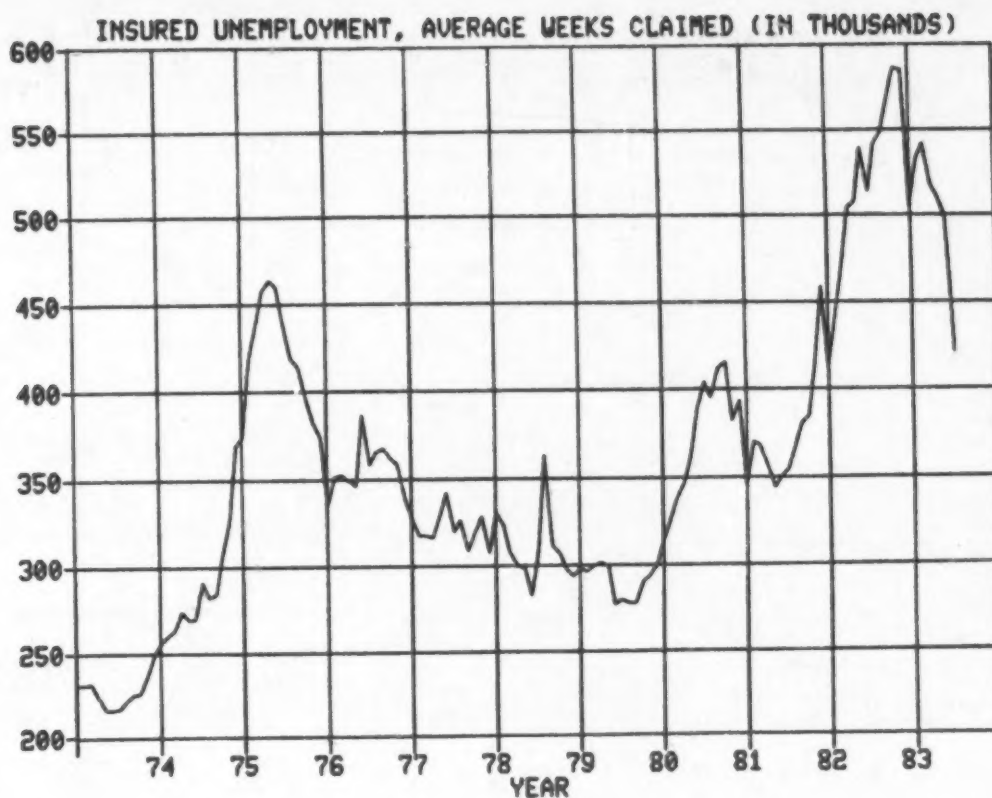


EMPLOYMENT

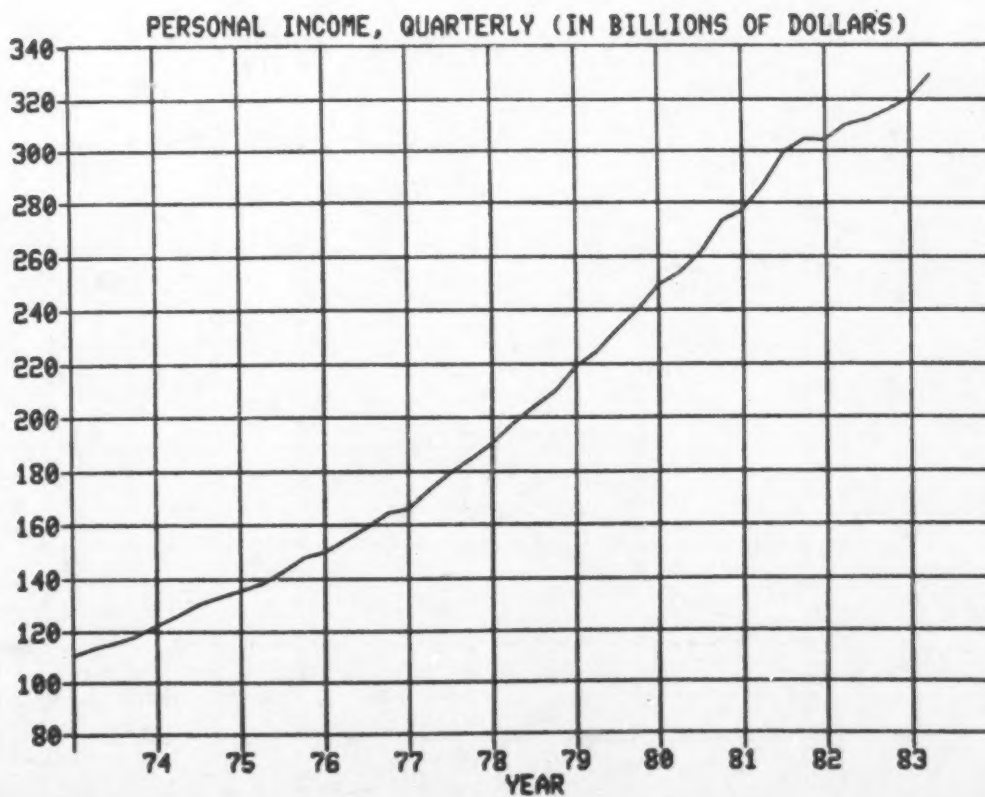




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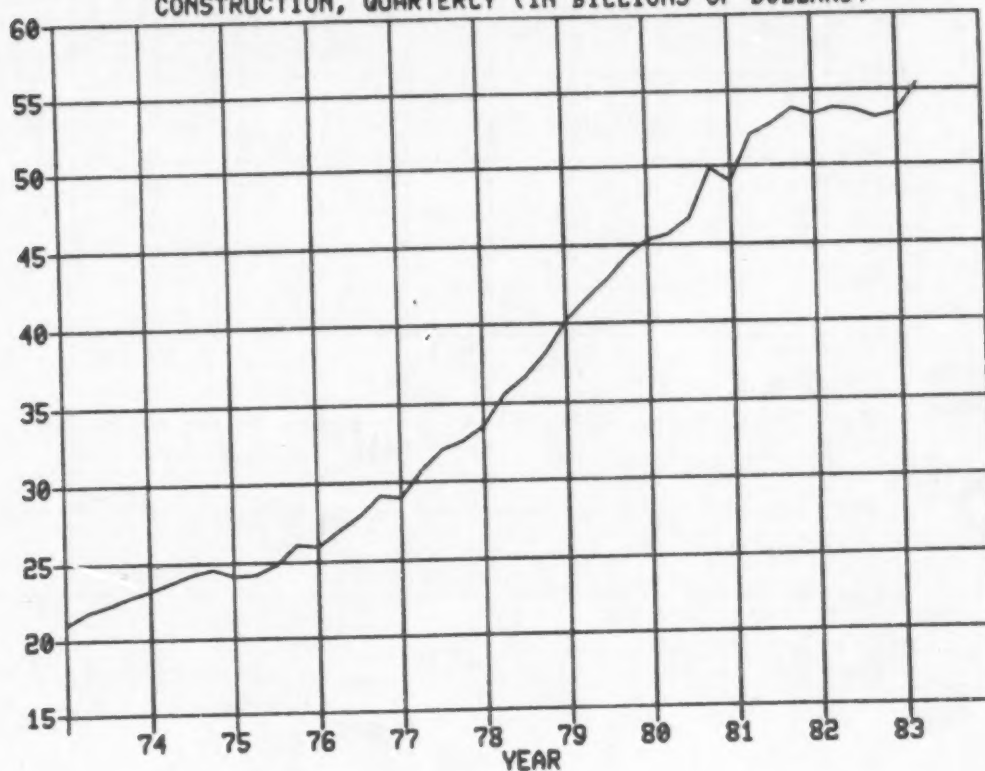


INCOME



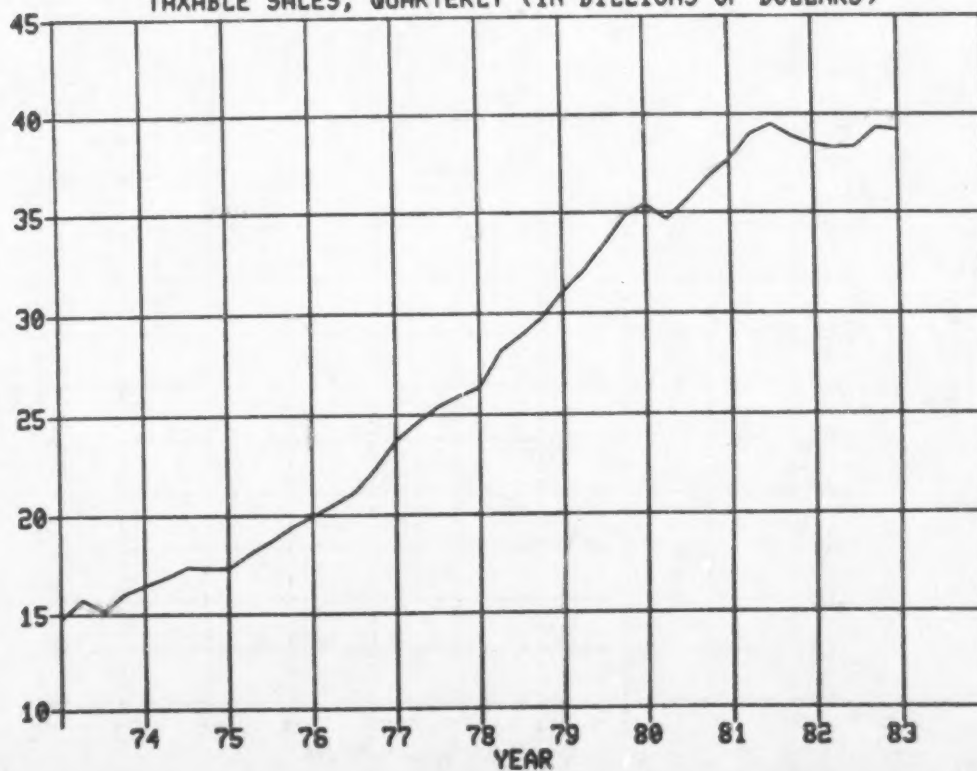
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND
CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)

WAGES
AND
SALARIES

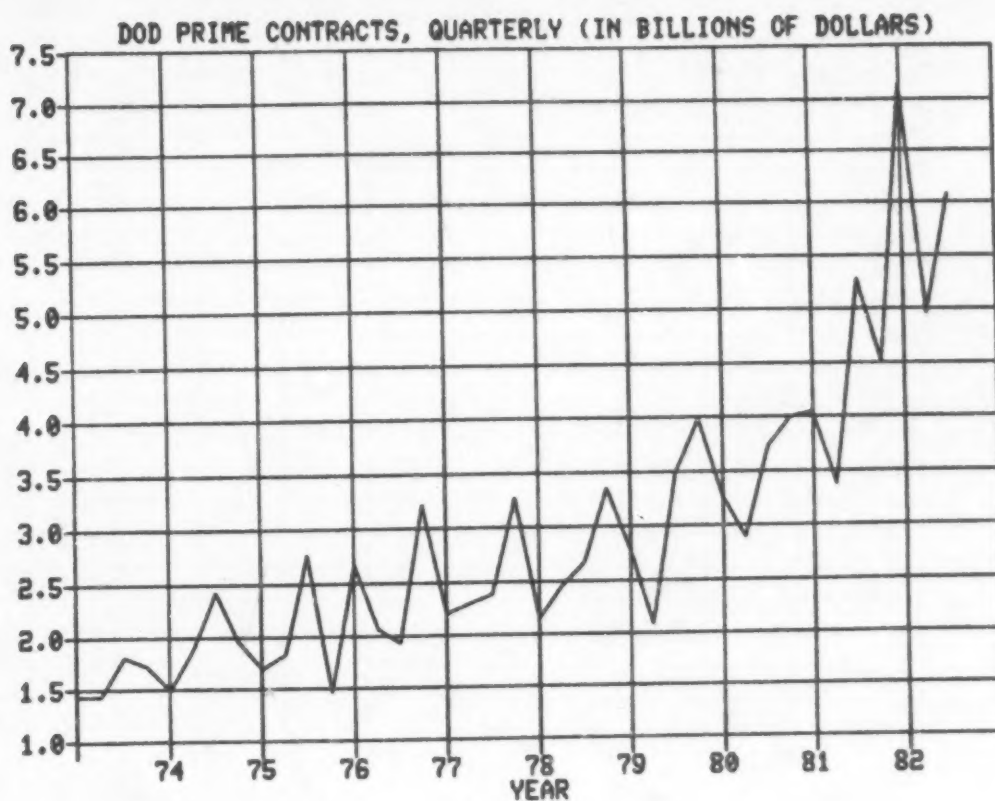


TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)

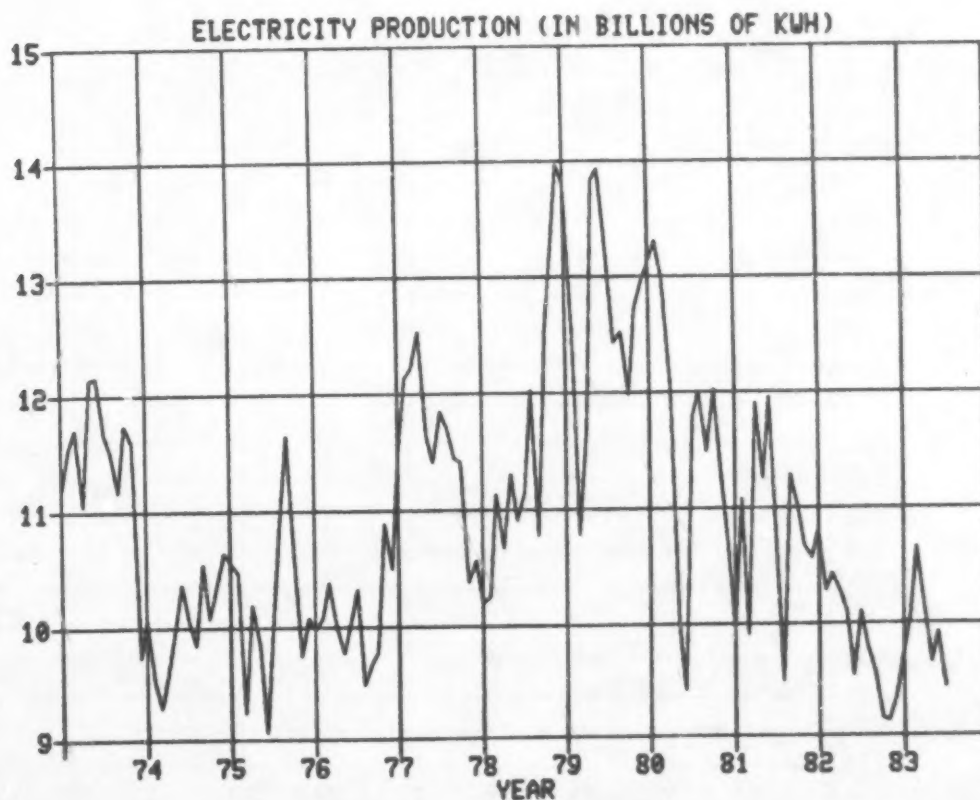
SALES



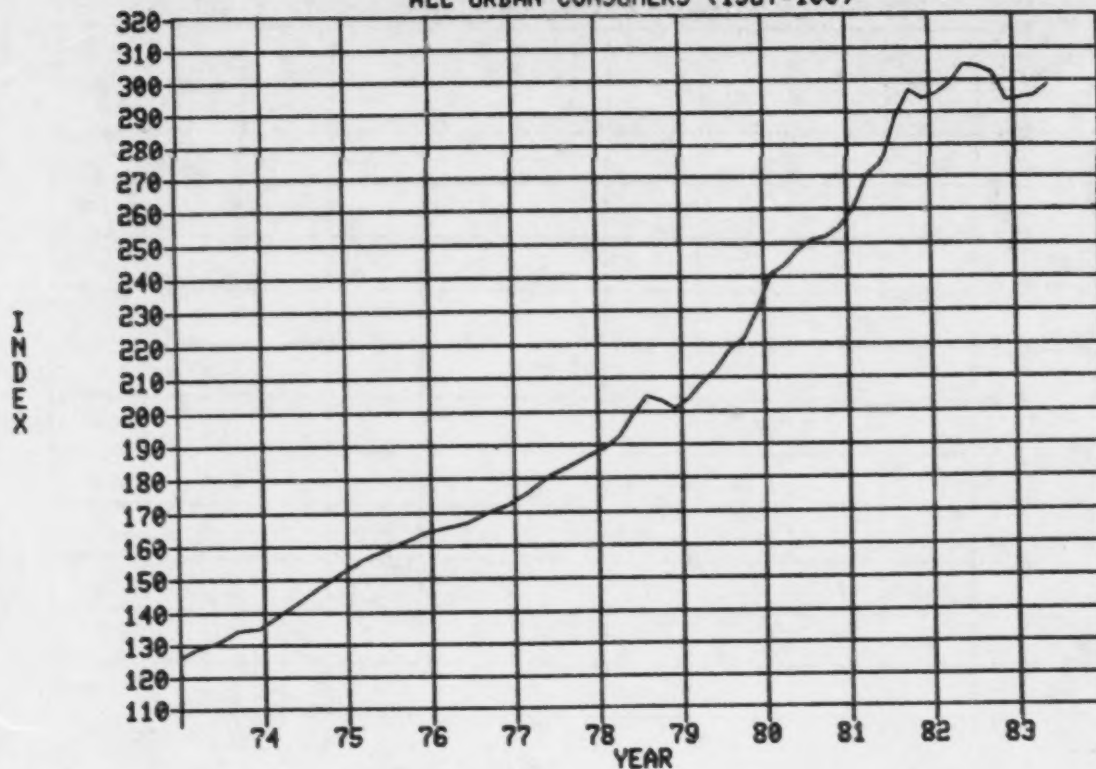
CONTRACTS



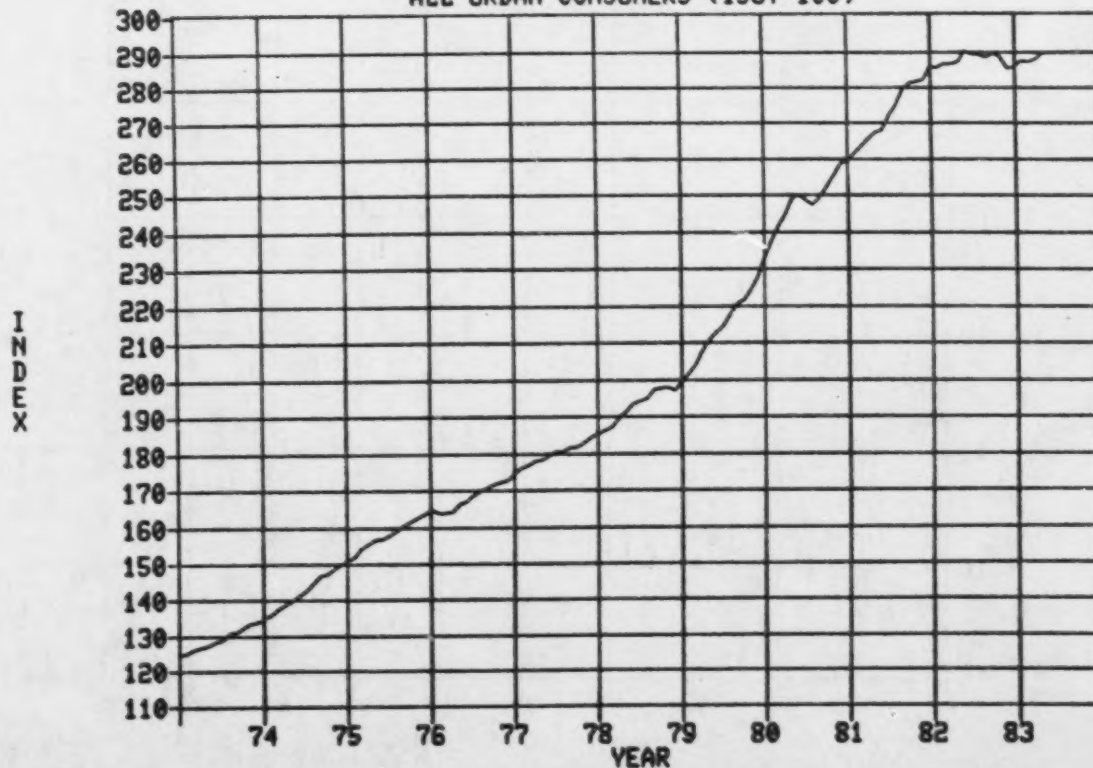
PRODUCTION



CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufac- turing	Leading Indicators		Overtime Hours Manufac- turing	Total Housing Units Authorized (thousands)	New Business Incorporations
			Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)			
1980							
January	126.4	39.4	151.8	56.8	3.1	172.5	4,842
February	129.1	39.5	156.7	55.6	3.1	193.2	5,268
March	126.1	39.7	150.0	57.1	3.2	131.8	4,456
April	123.3	39.6	135.7	59.3	3.1	112.3	4,553
May	121.1	39.4	120.7	61.6	2.9	92.4	4,279
June	122.4	39.3	128.7	62.0	2.8	117.6	3,851
July	125.8	39.4	126.9	60.2	2.8	150.7	4,568
August	127.7	39.4	126.1	58.0	2.9	150.6	4,659
September	139.6	39.6	127.4	57.3	3.0	179.2	4,686
October	130.5	39.3	130.7	54.9	3.0	162.6	5,438
November	132.4	39.6	139.4	53.8	3.1	155.4	4,609
December	131.1	39.6	128.9	58.9	3.2	145.5	5,063
1981							
January	131.3	39.7	126.9	53.2	3.1	128.8	4,932
February	131.3	39.8	130.2	54.7	2.8	148.2	5,182
March	131.3	39.6	129.5	56.1	3.0	130.9	4,853
April	132.0	39.7	128.6	54.2	2.8	158.5	5,090
May	131.5	39.8	127.8	55.5	3.0	131.0	4,745
June	131.9	39.7	133.0	53.7	3.0	109.5	5,132
July	129.9	39.5	127.6	59.1	3.0	96.2	5,076
August	129.0	39.7	123.8	59.5	3.0	86.3	4,569
September	126.5	39.5	118.4	62.4	3.0	83.6	5,092
October	123.2	39.5	106.4	65.4	2.7	68.1	4,913
November	122.8	39.4	109.0	66.1	2.7	64.5	4,611
December	122.1	39.6	100.6	66.7	2.6	67.7	4,660
1982							
January	122.5	39.7	101.0	60.4	2.6	72.4	4,116
February	121.2	39.5	95.1	64.2	2.6	66.0	4,577
March	119.6	39.2	93.5	69.8	2.5	74.3	4,847
April	119.4	39.3	87.8	76.4	2.6	70.3	4,494
May	120.8	39.3	87.1	68.6	2.6	78.1	4,723
June	118.9	39.4	81.2	71.7	2.5	90.9	4,446
July	118.0	39.3	76.3	72.3	2.5	101.0	4,176
August	116.3	39.2	76.3	75.5	2.4	68.5	4,240
September	116.2	39.0	71.5	78.5	2.3	73.4	4,321
October	117.9	39.1	70.3	75.3	2.4	88.7	4,059
November	118.2	39.0	69.4	80.3	2.4	93.4	4,431
December	119.5	38.9	69.8	76.0	2.4	127.5	4,596
1983							
January	121.3	39.2	71.7	68.1	2.4	130.9	4,257
February	123.2	39.6	71.4	71.6	2.5	141.7	4,630
March	124.0	39.4	75.4	75.3	2.7	116.9	4,704
April	128.7	40.2	78.7	69.6	2.9	160.1	4,595
May	129.9	39.9	86.9	67.6	2.8	167.1	4,767
June	131.3	40.0	86.8	64.7	2.9	208.4	4,516
July	132.1	40.1	92.7	59.6	3.0	157.3	4,284

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators					Other Indicators	
	Nonagri- cultural Employment (thousands)	Wages and Salaries in Mining, Manu- facturing and Construction (mil dol.) r/	Unemploy- ment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.) r/	Taxable Sales (mil dol.)	Manufac- turing Employment (thousands)
<u>1980</u>							
January	9,816.9		5.9	312			2,025.7
February	9,878.3	45,246	6.1	325	249,467	35,423	2,031.9
March	9,883.5		6.0	337			2,029.7
April	9,857.9		6.9	346			2,017.9
May	9,838.9	45,639	7.2	362	253,922	34,703	2,005.3
June	9,812.1		7.4	388			1,993.2
July	9,762.8		6.9	404			1,987.0
August	9,806.5	46,673	7.4	395	261,523	35,714	1,987.4
September	9,835.9		7.2	412			1,994.0
October	9,886.8		7.1	416			2,004.5
November	9,900.0	49,839	7.4	382	273,398	36,835	2,006.4
December	9,925.1		6.3	393			2,007.0
<u>1981</u>							
January	9,966.3		7.3	345			2,020.8
February	9,957.5	49,015	7.4	370	277,407	37,688	2,017.7
March	9,961.2		7.1	368			2,015.4
April	10,012.4		7.1	356			2,026.3
May	10,028.0	52,018	6.7	344	286,975	39,015	2,033.7
June	10,044.5		7.0	350			2,036.6
July	10,021.5		7.2	354			2,040.9
August	10,028.4	52,807	7.0	366	299,432	39,478	2,031.8
September	10,016.6		7.5	380			2,023.8
October	10,010.8		8.1	385			2,020.3
November	9,963.0	53,787	8.0	413	304,585	38,891	2,003.0
December	9,945.0		8.6	459			2,000.9
<u>1982</u>							
January	9,930.7		8.7	412			1,987.0
February	9,921.3	53,399	8.9	442	304,259	38,488	1,980.0
March	9,903.1		9.3	467			1,974.0
April	9,861.9		9.3	504			1,958.3
May	9,850.0	53,831	9.6	508	310,142	38,301	1,948.7
June	9,843.8		9.6	539			1,936.0
July	9,873.5		10.5	514			1,956.7
August	9,859.6	53,669	10.3	542	312,281	38,391	1,942.4
September	9,848.0		10.2	549			1,932.2
October	9,810.6		10.7	571			1,916.9
November	9,787.8	53,121	11.1	587	316,133	39,324	1,904.6
December	9,763.1		11.0	586			1,902.1
<u>1983</u>							
January	9,845.1		11.0	505			1,907.0
February	9,836.3	53,455	11.2	533	320,133	39,192	1,905.2
March	9,860.8		10.6	542			1,910.0
April	9,902.7		9.8	518			1,918.7
May	9,925.2	55,421	10.5	509	329,629		1,927.8
June	9,967.4		10.3	499			1,935.5
July	9,975.8		9.3	421			1,929.9
August	9,949.6		9.8				1,926.8

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Other Indicators

Year and Month	DOD Prime Contracts (mil dol.) ^{b/}	Consumer Price Index (1967=100) ^{c/}				Net New S&L Savings ^{c/,d/} (mil dol.)	Electricity Production (mil KWH)
		San Francisco		Los Angeles			
		Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban		
<u>1980</u>							
January		--	--	235.0	232.6	234	13,103
February	3,462	240.0	240.7	240.0	237.6	106	13,296
March		--	--	243.9	241.3	-536	12,966
April		242.8	243.5	247.8	244.6	-517	12,032
May	3,397	--	--	252.6	249.1	225	10,019
June		247.7	248.0	253.4	250.1	-33	9,407
July		--	--	251.5	248.7	-25	11,788
August	3,602	251.4	251.0	250.1	247.3	210	12,002
September		--	--	251.6	249.6	-87	11,489
October		252.6	251.9	254.9	252.6	310	12,024
November	3,473	--	--	258.4	255.5	-160	11,345
December		255.7	254.9	262.2	258.7	379	10,684
<u>1981</u>							
January		--	--	262.7	259.4	-241	9,935
February	4,197	261.6	260.5	265.0	261.6	-2	11,078
March		--	--	266.5	263.3	-753	9,904
April		270.9	270.3	269.1	265.5	-830	11,906
May	4,057	--	--	270.7	267.3	-44	11,254
June		274.3	274.0	271.7	267.9	-1,539	11,958
July		--	--	276.3	272.2	-1,020	10,635
August	4,983	287.2	287.9	278.6	274.8	-1,016	9,487
September		--	--	282.9	279.3	-541	11,280
October		295.6	297.0	284.9	281.3	667	11,001
November	3,957	--	--	285.5	281.8	-385	10,676
December		292.7	294.0	286.1	282.3	-110	10,562
<u>1982</u>							
January		--	--	289.8	285.6	384	10,806
February	7,338	249.9	295.8	289.4	285.6	172	10,284
March		--	--	290.4	286.6	-181	10,428
April		297.8	298.8	290.5	286.8	-1,085	10,285
May	6,015	--	--	290.6	287.1	-47	10,089
June		303.4	304.6	293.9	290.1	-1,140	9,534
July		--	--	293.0	289.3	-143	10,099
August	5,694	302.8	304.3	292.8	289.1	-412	9,796
September		--	--	291.7	288.2	78	9,560
October		301.3	302.4	292.8	289.5	-615	9,144
November		--	--	291.6	288.5	779	9,129
December		293.6	293.9	288.0	285.3	3,494	9,349
<u>1983</u>							
January		--	--	288.0	285.6	5,805	9,693
February		293.9	297.3	290.1	286.8	2,757	10,054
March		--	--	289.6	287.1	1,992	10,657
April		294.7	299.3	290.2	289.5	2,301	9,646
May		--	--	292.1	292.0	2,381	9,918
June		298.6	303.0	292.1	293.6	1,043	9,429
July		--	--	293.2	294.5	2,066	
August		301.6	306.0	293.7	295.2		

^{a/}Annual basis.^{b/}Quarterly data.^{c/}Not adjusted for seasonal variation.^{d/}New to the Economic Indicators. Demand deposits and commercial and industrial loan data will no longer be included.

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

<u>1969</u>		<u>1970--Continued</u>	
January 1	Social security contribution rate increased to combined 9.6 percent.	November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.	November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.	November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.	December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.	December 20	13-week extended duration unemployment benefits in effect.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.	December 22	Prime rate reduced from 7 percent to 6-3/4 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.		
October 27- February 1970	General Electric strike.		
<u>1970</u>		<u>1971</u>	
January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.	January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.	January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.	January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.	January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
April 2-June 2	Teamster strike.	January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
May 6	Stock margin requirement cut from 80 percent to 65 percent.	January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
July 1	Personal income tax surcharge removed.	February 4	Rolls Royce bankruptcy announced.
September 14- November 23	UAW strike against GM.	February 9	Los Angeles earthquake.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.	February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
		February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
		February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

<u>1971--Continued</u>	
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to January 1, 1971. Contribution base raised to \$9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

<u>1971--Continued</u>	
November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

<u>1973</u>		<u>1974--Continued</u>	
April 9-13	Consumer meat boycott.	April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.	June 17-August 4	San Diego construction strike.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.	June 17-July 21	Northern California construction strike.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.	July 1-Mid-August	Southern California construction strike.
June 14	60-day price freeze announced.	July 1	Transit strikes, San Francisco Bay Area.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.	August 2-October 21	Los Angeles area transit strike.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.	August 8	Resignation of President Nixon announced.
July 18	Phase IV announced.	August 14	FHA mortgage rate raised to 9-1/2 percent.
August 27	Prime rate at 9-3/4 percent in major institutions.		Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:
October 17	Arab nations announce reductions in oil shipment.		October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
November 5-December 18	TWA strike.	October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
<u>1974</u>		November 12-December 9	Coal strike.
January 3	Stock margin requirements cut from 65 percent to 50 percent.	December 9	Discount rate reduced from 8 percent to 7-3/4 percent.
February 1-11	Independent truckers strike, midwest and east coast.		
February 15	Prime rate reduced to 9 percent.		<u>1975</u>
February 22	Prime rate reduced to 8-3/4 percent.	January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
March 4	California minimum wage increased to \$2.00 per hour from \$1.65.	January 10	Oil Chemical Atomic Workers Union strike.
March 18	Arab oil embargo lifted.	January 13	Prime rate reduced to 10 percent. Further major cuts as follows:
March 27	Prime rate increased to 9 percent from 8-3/4 percent.		January 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
March 28	Prime rate further increased to 9-1/2 percent.		
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.	January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.	February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

CHRONOLOGY--Continued

<u>1975--Continued</u>		<u>1976--Continued</u>	
March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.	September 15-October 13	Auto workers strike.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.	October 18	California minimum wage raised to \$2.50 per hour.
March 25	King Faisal assassinated.	December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.
March 29	Tax reduction act signed into law.		<u>1977</u>
May 19	Prime rate reduced to 7-1/4 percent by several major banks.	May 16	Prime rate raised to 6-1/2 percent.
June 10	Prime rate reduced to 7 percent by most banks.	May 31	Prime rate raised to 6-3/4 percent.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.....7-1/2 percent August 11.....7-3/4 percent September 15....8 percent	August 22	Prime rate raised to 7 percent.
September 1	National Airlines strike.	August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.	September 16	Prime rate raised to 7-1/4 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31.....7-1/2 percent November 21.....7-1/4 percent	October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
December 5-19	United Airlines strike.	October 7	Prime rate raised to 7-1/2 percent.
	<u>1976</u>	October 10-January 4	IAM-Lockheed strike.
January 12	Prime rate lowered to 7 percent.	October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.	October 26	Discount rate raised from 5-3/4 percent to 6 percent.
January 21	Prime rate reduced to 6-3/4 percent.	December 6-March 24	United Mine Workers strike.
April 1-3	Teamsters strike.		<u>1978</u>
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.	January 1	U.S. minimum wage increased to \$2.65 per hour.
April 21	Rubber workers strike.	January 9	Discount rate raised from 6 percent to 6-1/2 percent.
July 20-August 2	Cannery workers strike.	January 10	Prime rate raised to 8 percent.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4.....6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent	February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
		April 1	California minimum wage increased from \$2.50 to \$2.65 per hour.
		April 1-May 28	United Airlines strike.
		May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

<u>1978--Continued</u>		<u>1978--Continued</u>	
May 8	California savings and loan associations raised mortgage rates from 9-3/4 percent to 10 percent.	October 12	Prime rate raised from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.	October 15	Tax cut and energy bills passed by Congress.
May 23	Federal funds rate increased to 7-1/2 percent.	October 16	Discount rate raised from 8 percent to 8-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.	October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.	October 24	Prime rate raised from 10 percent to 10-1/4 percent.
June 6	Proposition 13 approved by California voters.		California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
June 16	Prime rate raised to 8-3/4 percent.	October 24	Phase II announced: voluntary guidelines on wages and prices.
June 20	OPEC announced a freeze on crude oil prices until December 16.	November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.		Prime rate raised to 10-1/2 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.	November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
June 30	Prime rate raised to 9 percent.	November 13	Prime rate raised from 10-3/4 percent to 11 percent.
July 10	Discount rate raised to 7-1/4 percent.	November 24	Prime rate raised to 11-1/2 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.	November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
August 20	Retail clerks union strike in Southern California.	December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
August 21	Discount rate raised to 7-3/4 percent.	December 19	Federal funds rate raised to 10 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.	December 20	Prime rate raised to 11-3/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.	<u>1979</u>	
September 15	Prime rate raised to 9-1/2 percent.	January 1	U.S. minimum wage increased to \$2.90 per hour.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.	January 13	Prime rate reduced to 11-1/2 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.	March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
		March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

CHRONOLOGY--Continued

<u>1979--Continued</u>		<u>1980--Continued</u>	
March 31	United Airlines-machinist strike.	March 14	Announcement of tighter fiscal policies.
April 1-10	Teamsters strike.	March 17	Three percent discount rate surcharge imposed.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.	March 18	Prime rate raised to 19 percent.
May 19	Federal funds rate set at 7-1/4 percent.	April 2	Prime rate raised to 20 percent.
May 26	United Airlines strike ended.	April 3	FHA mortgages raised to 14 percent.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.	April 20	Prime rate reduced to 19-1/2 percent.
June 12	Prime rate reduced to 11-1/2 percent.	April 28	FHA mortgages reduced to 13 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.		Prime rate reduced to 18-1/2 percent.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.	May 5	Prime rate reduced to 18 percent.
August 16	Discount rate raised to 10-1/2 percent.	May 7	Prime rate reduced to 17 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.	May 8	Discount rate surcharge reimposed.
August 26-September 10	Los Angeles Rapid Transit District strike.	May 12	Prime rate reduced to 16-1/2 percent.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.	May 19	Prime rate reduced to 16 percent.
August 31-November 21	BART strike.	May 28	Discount rate lowered to 12 percent from 13 percent.
September 4	Federal funds rate raised from 11-1/2 percent	June 4	Prime rate reduced to 13 percent.
<u>1980</u>		June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
February 25	Prime rate raised to 16-1/2 percent.	June 20	Prime rate reduced to 12 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.	June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
February 29	Prime rate raised to 16-3/4 percent.	June 25	Carpenters strike in Northern California ended.
March 4	Prime rate raised to 17-1/4 percent.	July 3	ICC begins trucking industry deregulation.
March 7	Prime rate raised to 17-3/4 percent.	July 21	Motion picture and television industry strike.
March 13	Prime rate raised to 18-1/4 percent.	July 22	Prime rate reduced to 11 percent.
		July 25	Prime rate reduced to 10-3/4 percent.

CHRONOLOGY--Continued

1980--Continued		1981	
July 28	Discount rate reduced to 10 percent.	January 1	Minimum wage raised from \$3.10 to \$3.35.
August 5	Prime rate raised to 11 percent.	January 6	Prime lowered to 20 percent.
August 27	Prime rate raised to 11-1/2 percent.	January 20	American hostages released from Iran.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.	January 20	Ronald Reagan inaugurated as 40th President of the U.S.
September 12	California mortgage rate raised from 13-1/2 percent to 13-3/4 percent.	January 28	Deregulation of oil and gas industry announced, effective immediately.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.	January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.	February 16	General Motors and Ford rebate plans announced.
October 2	Prime raised from 13 to 13-1/2 percent.	February 23	Prime rate lowered to 18 percent.
October 3	Prime raised to 14 percent.	March 2	Prime rate lowered to 18-1/2 percent.
October 15	AFTA workers return to work.	March 10	Prime rate lowered to 18 percent.
October 23	Screen Actors Guild strike ends.	March 16	Prime rate lowered to 17-1/2 percent.
October 30	Prime raised from 14 to 14-1/2 percent.	March 18	Prime rate lowered to 17 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.	March 26	United mine workers strike.
November 14	PSA pilots strike ends.	April 13	Prime rate raised to 17-1/2 percent.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.	April 29	Prime rate raised to 18 percent.
November 21	Prime raised to 17 percent.	May 4	Prime rate raised to 19 percent.
November 28	Prime raised to 17-3/4 percent.	May 5	Discount rate raised from 13 percent to 14 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.	May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.	May 11	Prime rate raised to 19-1/2 percent.
December 11	Prime raised to 20 percent.	May 22	Prime rate raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.	May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
December 23	Prime lowered from 21 to 20-1/2 percent.	June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

<u>1981--(Continued)</u>		<u>1981--(Continued)</u>	
June 8	Coal miners end 72 day strike and ratify a 40-month contract.	December 12	Martial law imposed in Poland.
July 8	Prime rate raised to 20-1/2 percent.		<u>1982</u>
August 3	Air traffic controller's strike.	January 22	Federal funds rate raised to 13-1/2 percent.
August 14	President Reagan signs both the tax- and budget-cut bills into law.	January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.	January 27	Federal funds rate raised to 13-3/4 percent.
September 1	Prime rate lowered to 20 percent.	February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
September 21	Prime rate lowered to 19-1/2 percent.	February 18	Prime rate increased to 17 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.	February 24	Prime rate cut back to 16-1/2 percent.
October 6	Prime rate lowered to 19 percent.	March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
	Egyptian President Sadat assassinated.	March 8	Prime rate lowered to 16 percent.
October 13	Prime rate lowered to 18 percent.	March 16	Prime rate back up to 16-1/2 percent.
October 30	OPEC price set at \$34.00/barrel--the Saudi benchmark.	April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at \$34/barrels.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.	April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
November 2	Fed discount rate cut from 14 percent to 13 percent.	April 12	General Motor and United Auto Workers labor agreement approved.
	Prime rate lowered to 17-1/2 percent.	April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
November 10	Prime rate lowered to 17 percent.	May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
November 13	Prime rate lowered to 16-1/2 percent.	May 13	Braniff Air Lines ceases operation.
	FHA mortgage rate lowered to 15-1/2 percent.	June 25	Secretary of State Alexander Haig resigns.
November 16	Prime rate lowered to 16 percent.	June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.		
December 1	Prime rate lowered to 15-1/2 percent.		
December 4	Fed discount rate lowered from 13 percent to 12 percent.		

CHRONOLOGY--Continued

<u>1982--Continued</u>		<u>1982 (Continued)</u>	
July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.	December 13	Discount rate cut to 8-1/2 percent.
July 27	Prime rate lowered to 15-1/2 percent.	December 14	Introduction of money market deposit accounts by banks and S&Ls.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.	<u>1983</u>	
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.	January 5	Super NOW accounts introduced.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.	January 11	Prime rate lowered to 11 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.	January 31	Independent truckers strike begins.
August 19	The stock market trading soared to a record 132,690,000 shares.	February 10	Independent truckers strike end.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.	February 15	Toyota/GM agreement to build a small car in late 1984.
September 19	National Football League players strike began.	February 25	Prime rate lowered to 10-1/2 percent.
	Railroad strike involving locomotive engineers began.	March 14	OPEC sets \$29 per barrel benchmark price and production quota of 17.5 million barrels.
September 23	Railroad strike ends.	May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.	June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
October 7	Prime rate lowered to 13 percent.	June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.	June 24	The Federal Budget deficit totalled a record \$29.29 billion in May.
October 15	Prime rate lowered to 12 percent.	July 7	The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.	July 13	Chrysler Corporation announced it will repay the remaining \$800 million in federally guaranteed loans by September, seven years before they are due.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.	July 25	The Washington Public Power Supply System defaulted on \$2.25 billion in bonds, creating the largest municipal default in U.S. history.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.		

CHRONOLOGY--Continued

1983 (Continued)

- August 1 California's \$1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling \$700 million, maturing next April and June, were oversubscribed.
- August 2 The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.
- August 7 The Communications Workers of America and two other unions strike AT&T.
- August 8 Prime rate raised from 10-1/2 percent to 11 percent by most major banks.
- August 23 The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.
- August 28 AT&T strike ends.
- September 1 Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Sakhalin, just north of Japan.

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	News business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

<u>Initial Trough</u>	<u>Peak</u>	<u>Terminal Trough</u>	<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		